

DAILY REPORT

China

Vol 1 No 155

11 August 1982

PRC INTERNATIONAL AFFAIRS

GENERAL

Deng Xiaoping Meets Foreign Scientists 10 Aug	A 1
UNCTAD Report Cites Developing Countries' Woes	A 1

NORTHEAST ASIA

DPRK Meeting Protests Sentencing of S. Koreans	D 1
Further Materials on Japanese Textbook Changes	D 1
Officials Fail To Agree	D 1
Japanese Criticism	D 1
RENMIN RIBAO Article	D 2
'History of the Second World War' Published	D 3
Japan-USSR Sakhalin Project Opposed by U.S.	D 4
[RENMIN RIBAO 4 Aug]	

SOUTHEAST ASIA & PACIFIC

Sihanouk Leaves for Yugoslavia, Romania	E 1
AFP Reports Sihanouk Plans	E 1
XINHUA Praises ASEAN Cooperation, Achievements	E 1
Burmese Troupe Pays Good-Will Visit to PRC	E 2
Beijing Radio Comment	E 3
Trade Mission Leaves for Burma, Bangladesh	E 3
SRV Report on Economic Shortcomings Cited	E 3
Australian Defense Minister Visits Thailand	E 4
Kang Keqing Meets Thai Women's Delegation	E 5

WESTERN EUROPE

GUANGMING RIBAO on Theories of West European Unity [30 Jul]	G 1
EEC Reaches Steel Products Agreement With U.S.	G 2
Cheysson Cited on Nuclear Fuel to India	G 3
Netherlands Warns Against Rejecting U.S. Missiles	G 4
Finnish Antisubmarine Patrols Increased	G 4
Ambassador to Greece Ends Mission, Departs	G 4

EASTERN EUROPE

SFRY, Cuban Ministers Discuss Nonaligned Issues	H 1
USSR, GDR, Poland Hold Joint Military Exercises	H 1

MIDDLE EAST & AFRICA

Egyptian, PLO Delegations Hold Discussions	I 1
'Arafat Says Final Agreement' on Beirut Reached	I 1
U.S. Ambassador, Begin Discuss Beirut Evacuation	I 2
AFP Reports on Takeover of African Embassy	I 2
Police Aid Sought	I 2
Envoy Released	I 2
Trade Delegation of Mozambique Meets Officials	I 3
Meeting With Chen Muhua	I 3
Chen Muhua Gives Banquet	I 3
Group Meets Yao Yilin	I 4
Huang Ha Meets Trade Minister	I 4
Agreement Signed	I 4

PRC NATIONAL AFFAIRS

Flood Control Efforts Reported on Huang He	K 1
GONGREN RIBAO Favors Trade Union Reorganization [5 Aug]	K 1
Sun Yat-sen's Reinterpretation of Principles [10 Aug]	K 3
PRC To Adopt International Measurement Standards	K 5
[CHINA DAILY 10 Aug]	
Commentator on Standardization [RENMIN RIBAO 9 Aug]	K 6
RENMIN RIBAO on Countereffect of Consumption [26 Jul]	K 7
RENMIN RIBAO Discusses Financial Problems [3 Aug]	K 10
Rural, Urban Trade, Goods Reported Prospering	K 13
RENMIN RIBAO Discusses Joint Venture Law [6 Aug]	K 14
Power Industry Grows With Economic Readjustment	K 15
Minister Discusses Hydroelectric Power Needs	K 16
[CHINA DAILY 10 Aug]	
Wan Li, Yao Yilin Attend Beijing College Games	K 16
Kang Keqing Chairs Women's Federation Meeting	K 17
Navy Plans To Hold Meeting of Advanced Persons	K 17
International Communist Movement Symposium Ends	K 18
Interest in Agricultural Science Reported	K 19
Paper Further Criticizes Sexual Liberation	K 19
[GONGREN RIBAO 4 Aug]	

PRC REGIONAL AFFAIRS

EAST REGION

Anhui Issues Circular on Combating Floods	O 1
Jiangsu Considers Religious, Nationalities Work	O 2
Ideological Work Among Shandong Youth Stressed	O 3
Zhejiang Province Develops Engineering Industry	O 4
Briefs: Shandong Technological Innovations	O 4

CENTRAL-SOUTH REGION

NANFANG RIBAO Hits Anti-Intellectual Prejudice [2 Aug]	P 1
Henan Party Secretary on Role of Progressives	P 2
Han Ningfu Addresses Hubei Reorganization Forum	P 3
Results Seen in Hubei Business Reorganization	P 3
Hunan Fights Law Violations in Disaster Relief	P 4
Briefs: International Sericulture Center	P 4

SOUTHWEST REGION

Sichuan Leaders Hail Seventh Plenary Session	Q 1
AFP: Dalai Lama's Xizang Followers Released	Q 1
Yunnan Holds Forum on Responsibility Systems	Q 2
Yunnan Meeting Stresses Late Autumn Crops	Q 3
Briefs: Xizang Capital Construction	Q 3

NORTH REGION

Nei Monggol Political, Economic Situation Viewed	R 1
Shanxi Trains Cadres in Responsibility System	R 1
SHANXI RIBAO Emphasizes Commodity Circulation [19 Jul]	R 2
Industrial Situation in Shanxi Province Reported [SHANXI RIBAO 30 Jul]	R 3
Tianjin Regulations on Urban Collective Economy	R 5
Briefs: Nei Monggol Afforestation; Nei Monggol Livestock Production	R 6

NORTHWEST REGION

Gansu Warns on Attacking, Isolating Advanced	T 1
NINGXIA RIBAO on Struggle Against Economic Crime [16 Jul]	T 1
Coordination in Policy on Intellectuals Urged [SHAANXI RIBAO 21 Jul]	T 2
SHAANXI RIBAO on Party Literature, Art Workers [24 Jul]	T 3
Xinjiang Party Circular Greets 12th Congress	T 4

TAIWAN

President Chiang Lauds National Seminar Results	V 1
President Greets Academia Sinica Conference	V 1
Legislators Return to Taipei From U.S.-Japan Tour	V 2
President Chiang Receives New Costa Rican Envoy	V 2
Low-Interest Loans Offered Strategic Industries	V 3

HONG KONG MEDIA ON CHINA

PAI HSING on Fate of Jiang Qing, "Gang of Four" [No 29, 1 Aug]	W 1
PRC 'Leaking' Plans Regarding Hong Kong's Future [HONG KONG STANDARD 11 Aug]	W 4
Foreign Firms To Make Seismological Tests in PRC [SOUTH CHINA MORNING POST 9 Aug]	W 5
WEN WEI PO on East China Sea Gas Discovery [8 Aug]	W 6

DENG XIAOPING MEETS FOREIGN SCIENTISTS 10 AUG

OW101226 Beijing XINHUA in English 1201 GMT 10 Aug 82

[Text] Beijing, August 10 (XINHUA) -- Deng Xiaoping, vice-chairman of the Central Committee of the Chinese Communist Party, and Deng Yingchao, vice-chairman of the Standing Committee of the National People's Congress, met here this morning with foreign scientists now on lecture tours or visits in China. The scientists included Professor and Mrs. Lee C. Teng, Professor and Mrs. Shu Park Chan, Professor and Mrs. Mann Chiang Niu, Professor and Mrs. Shiu Jen Kuh, Professor H.T. Nieh, Professor Wai Kai Chen, Professor Pen Min⁴Lin, Professor and Mrs. R.J. Hung, and Professor and Mrs. Chen Yuan Wu.

Deng Xiaoping and Deng Yingchao had cordial conversations with the scientists and listened carefully to their suggestions on further developing China's science and education. The Chinese leaders praised them for their contributions to China's modernization drive.

Briefing them on the domestic situation, Deng Xiaoping said: "A state of stability and unity has already materialized in China. The political and economic situations in China are better than expected. We now have greater confidence and certainty of achieving our goal of making our country comparatively well-off by the end of this century."

On the issue of China's reunification, Deng Yingchao said that Liao Chengzhi's letter to Chiang Ching-kuo once again shows "the sincere hope of our side to reunify our motherland as soon as possible." Present also on the occasion were Fang Yi, Chinese state councillor, Lu Jiaxi, president of the Chinese Academy of Sciences, and others.

UNCTAD REPORT CITES DEVELOPING COUNTRIES' WOES

OW050902 Beijing XINHUA in English 0706 GMT 5 Aug 82

[Text] Geneva, August 4 (XINHUA) -- Under the influence of economic recession in the developed countries the developing countries are now facing grave economic difficulties, says a report of the United Nations Conference on Trade and Development (UNCTAD) issued here today.

The report says that the external economic environment affecting the growth of the developing countries is characterized by slower economic growth in the developed countries and price inflation in the world economy.

The report points out that net oil-importing developing countries recorded a rate of gross domestic product growth of only 1.5 per cent in 1981, as compared with 4.9 per cent in 1980. The least developed countries could not do better than the low increase of 2.8 per cent achieved in 1980.

The current-account deficit of the developing countries excluding the oil-exporting countries grew from 76 billion U.S. dollars in 1980 to 92 billion in 1981. The larger deficit reflected higher outflows on account of interest payments and profit remittances, which grew by about one quarter in 1981, due primarily to higher interest rates in developed countries.

The report estimates that the annual interest payments of developing countries increase by as much as two billion dollars for every percentage point rise in interest rates in the Eurocurrency markets. The report points out that the developing countries medium- and long-term debt rose by more than 60 million dollars to 400 billion in 1981. The report points out that the most telling defect of the present international economic system is the absence of adequate mechanisms of support for developing countries in the field of commodities, trade and financial flows.

The UNCTAD "Trade and Development Report", issued once in every year, is generally regarded as representing the views of the developing countries on the world's economic problems.

DPRK MEETING PROTESTS SENTENCING OF S. KOREANS

OW061630 Beijing XINHUA in English 1519 GMT 6 Aug 82

[Text] Pyongyang, August 6 (XINHUA) -- Working people and students in Pyongyang held a mass meeting here yesterday condemning U.S. imperialists and the South Korean Chon Tu-hwan clique for imposing capital punishment and heavy penalties upon 16 South Korean patriots including youth and students who set fire to the "American Cultural Centre" in Pusan in March this year, according to a KCNA report.

Addressing the mass meeting, Yo Yon-ku, director of the secretariat of the Central Committee of the Korean Democratic Front for the Reunification of the Fatherland, in the name of the entire people of the Democratic People's Republic of Korea, extended fervent compatriotic support and encouragement to the South Korean youth, students and people of all walks of life who are waging an undaunted struggle for independence, democracy and reunification, holding high the banner of anti-U.S. national salvation in defiance of the fascist suppression by the U.S. imperialists and the Chon Tu-hwan group.

Representatives of working youth, intellectuals and religionists in their speeches at the meeting said that the arson at the "American Cultural Centre" by South Korean youth, students and people was a deserving punishment meted out to the U.S. imperialist aggressors who are entrenched in South Korea continuously under the mask of "protector" and "helper" and are enforcing the vicious colonial rule, imposing all sorts of hardships and misfortunes upon the South Korean people. They said that the Chon Tu-hwan clique must unconditionally and immediately set free Mun Bu-sik, Kim Hyon-chang and other patriots. They voiced the demand for the withdrawal of all U.S. troops from South Korea.

Among those present at the meeting were also Ho Chong-suk, secretary of the Central Committee of the Workers Party of Korea and Presidium member of the Central Committee of the Democratic Front for the Reunification of the Fatherland; Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party.

FURTHER MATERIALS ON JAPANESE TEXTBOOK CHANGES

Officials Fail To Agree

OW101319 Tokyo KYODO in English 1254 GMT 10 Aug 82

[Text] Beijing, Aug 10, KYODO -- Japanese and Chinese officials Tuesday met to discuss the textbook controversy currently threatening friendly bilateral relations but apparently failed to bury their differences. Japanese sources described the three-hour talks -- the first official contact on the issue -- as friendly, but serious and solemn, suggesting that the Chinese side displayed a stiff attitude. The Chinese officials were led by Xiao Xiangqian, director of the Chinese Foreign Ministry's First Asian Affairs Department.

Japanese officials included Hiroshi Hashimoto, head of the Foreign Ministry's Public Information and Cultural Affairs Bureau, and Hitoshi Osaki, head of the Education Ministry's Science and International Affairs Bureau. Japanese sources said the two Japanese officials will extend their stay here until Thursday or Friday in order to hold further talks. They were initially scheduled to return to Tokyo Wednesday.

China is demanding correction of "distortions" in Japanese school textbooks about Japan's wartime "atrocities" in China. The demand was apparently renewed in the talks but no further details were given.

Japanese Criticism of Revisions

OW101910 Beijing XINHUA in English 1834 GMT 10 Aug 82

[Text] Tokyo, August 10 (XINHUA) -- The Japanese Democratic Socialist Party said today that the Japanese authorities should modestly accept criticism by friendly countries on the distortion of history in the revised textbooks, according to a KYODO report.

A statement issued by the party stressed that Japan should actively make corrections in accordance with the spirit of the Japan-China peace and friendship treaty.

The Japanese Women's Conference this afternoon sent a letter to Japanese Education Minister Heiji Ogawa demanding the mistake of distorting history in the revised textbooks be immediately corrected. A similar letter was sent to Heiji Ogawa yesterday by the Federation of History Teachers in Japan, according to MAINICHI SHIMBUN.

Chairman of the Association of the Nonparty Dietmen for Promoting Friendship Between Japan and Korea Chuji Kuno and other Dietmen called on Japanese Chief Cabinet Secretary Kiichi Miyazawa this afternoon to hand him a letter to Japanese Prime Minister Zenko Suzuki, according to a JIJI press report. The letter said the distortion of history of the relations between Japan and Korea would lead to the deterioration of the relations.

RENMIN RIBAO Article

HK101158 Beijing RENMIN RIBAO in Chinese 10 Aug 82 p 6

[Article by Wan Feng [8001 1496]: "It Is Difficult to Shirk Responsibility for Tampering With History"]

[Text] The Japanese Education Ministry's distortion of history and prettification of militarism in revising and examining textbooks has aroused a tremendous response both at home and abroad and has been strongly denounced. In order to shirk responsibility, the Japanese Education Ministry has repeatedly stressed its hope that the various countries "should understand" Japan's "system of revising and examining textbooks" and at the same time it has declared that "in Japan, textbooks always have been nonofficial publications" and the editors and writers of textbooks are all "personalities among the people." This "idea about unofficial publication of textbooks" that the Japanese Education Ministry has fabricated is an outright lie.

It was in 1872, after the Meiji revolution, that modern educational reform was carried out through the promulgation of the "Imperial Rescript on Education." In Japan's modern and current history of education, the state has implemented four different systems related to the administration of the editing and publication of textbooks. At the beginning of the Meiji reign, textbooks were edited, written and published freely by the editors, writers and publishing houses on their own, without state interference. This was called a "free system," under which the textbooks, though still edited, written and published by unofficial personalities and enterprises, would be ratified by and filed with the Education Ministry. In 1886 this system was again replaced by the "checking up (examination and approval) system," under which unofficially written and edited textbooks first had to be examined by the Education Ministry in order to check them and see if they were up to standard. If they were, the Education Ministry would approve them and give permission for them to be published and used. On the surface, this system seemed to stipulate a "cooperation" in producing textbooks between the government and the people. But in fact, the government exercised the power of examination and approval. In 1903 a "national publication system" replaced the previous system. As a result, the education department of the government (the Education Ministry) was responsible for organizing the editing, writing and publishing of textbooks. This system was used until 1945.

After World War II, because of the promulgation of the "Basic Law of Education Act" in 1947, the militarist "national publication system" was abolished. In 1947 the resumption of the "examination and approval system" was announced. This was regarded as one of the measures to carry out the educational reform under the new historical conditions.

However, one thing which this system has in common with the one before the war is that the power of examining and approving textbooks is completely in the hands of the Education Ministry. People can edit and publish any textbooks they like but they have no power to decide whether or not their textbooks will be "approved."

The Education Ministry's method of "examining and approving" textbook manuscripts is as follows: Usually, first the editor or publisher of a textbook sends the manuscript to the Education Ministry and applies for its "examination and approval." The Education Ministry organizes its professional and nonprofessional inspectors into a number of inspection groups of about five inspectors each and each group is assigned the responsibility of inspecting one manuscript. The Education Ministry sets certain requirements in the "criteria of examining and approving" textbooks as "absolute requirement," which include whether or not the manuscripts conform to the spirit of the "Basic Law of Education Act," the "School Education Act" and "essential points in guiding study," whether the stand of the manuscripts is just and whether the manuscripts conform to the guiding goals of the various subjects. Another requirement, which is regarded as a "necessary condition," is whether the manuscripts are suited to youngsters and the form, structure and writing of the manuscripts is proper. After the inspection (examination), the inspectors write an "opinions of the inspectors," or an "assessment of the manuscript." The former is the opinions of the inspectors and the latter judges the manuscript according to criteria. Only when the total marks are above a certain limit is it likely that a manuscript will be approved. Then, the inspectors pass the two documents on to the "Course Textbook Examination and Approval Commission" which has been set up by the Education Ministry. After examining and discussing the manuscripts, the commission reports the results of its examination and discussion to the education minister, who finally decides whether or not the textbook manuscripts should be approved. After the education minister has decided to approve the manuscripts, the manuscripts are typeset and copies of them are printed and again examined. When the copies are approved, they are finally defined as "examined and approved textbooks" and the textbooks are allowed to be published.

In the process of examining and approving manuscripts, the Education Ministry gives its opinions on required revision of the manuscripts to the editors, writers and publishers through the inspectors. On the surface, these opinions are divided into compulsory ones and those for reference. However, as a matter of fact, during the past few years, the Education Ministry has always forced editors, writers and publishers to accept all its opinions. Often, more than 100 points in a manuscript must be revised, with a short deadline given for the revisions. In most cases, editors are forced to compromise and make revisions in accordance with the Education Ministry's opinions because they can find no way out under the pressure of the Education Ministry. Of course, there have been some people who have rejected these opinions, but they are few.

The above is the actual situation concerning the Education Ministry's claim that the "editors of the textbooks are all 'unofficial personalities'". The Education Ministry has forced its opinions on the writers and then shirks all responsibility conversely to the writers. How can it make people "understand" this?

Distorting history and cheating the people will never be allowed. It is impossible to solve the problem if one attempts to cover truth with lies.

'HISTORY OF THE SECOND WORLD WAR' PUBLISHED

OW101607 Beijing XINHUA in English 1206 GMT 10 Aug 82

[Text] Beijing, August 10 (XINHUA) -- Launching a war of aggression against China was a fixed goal of Japanese imperialism in the mid-1930's and was carried out following a long term plan and preparation, according to a new book from the People's Publishing House.

This conclusion is bolstered by considerable data in the book, "History of the Second World War," just off the press.

Authored by Zhu Guisheng, Wang Zhende and eight other historians of the World History Institute of the Chinese Academy of Social Sciences, the 734 page book is the first monograph about World War II compiled by Chinese scholars. It gives a systematic account of the origin and development, cause and effect of the war, and discusses the theaters of war in Europe, Africa, Asia and the Pacific Ocean. The work also discusses in depth the role and position of the Chinese resistance against Japanese aggression in World War II. The book offers a truthful account of the "September 18 Incident," "July 7 Incident" and Nanjing massacre, and tells how the Chinese army and people fought a protracted and arduous struggle against the aggressors.

"The Chinese people's war of resistance against Japan was the major theater in Asia during the anti-fascist Second World War," the book states, "which, combined with the people's anti-Japanese struggle in other Asian countries, played an important role in defeating the Japanese fascists." In the preface to the book, Professor Liu Simu, the noted scholar of world history, says: "In works about the history of World War II published in the West in recent years, some people continue their attempts to apologize for Neville Chamberlain, the master of appeasement; defend the Japanese fascist aggressors; and even reverse the verdict of Hitler, the prime culprit of the war. At the very least, this small current objectively helps prepare public opinion for, and encourages those who attempt to instigate a new world war."

The professor also points out that China is a country which was the first to resist the fascist aggressors, fought for the longest period of time and sustained enormous sacrifices and losses. He expects the book to be helpful in "determining the similarities and differences between the time of the war and today, summarizing and drawing lessons from this unprecedented calamity in human history, thus heading toward the correct direction and preventing or postponing the new world war."

In addition, he hopes that the book could contribute to "distinguish between truth and falsehood from widely divided opinions concerning about the history of World War II, clarify right and wrong, reveal this period of history in its true colors so as to deepen our understanding of the source, nature and law of the contemporary war."

JAPAN-USSR SAKHALIN PROJECT OPPOSED BY U.S.

HK050905 Beijing RENMIN RIBAO in Chinese 4 Aug 82 p 7

[Article by Zhang Yunfang [1728 0061 2455]: "Another Storm Over Japan-U.S. Relations"]

[Text] Following the friction between Japan and the United States over trade, another storm over economic sanctions against the USSR has recently emerged.

The Reagan administration took the Poland issue as a pretext to implement measures to restrict exports of advanced technological equipment and strategic materials to the USSR. It also demanded that countries in West Europe stop trading natural gas with the USSR and stop using U.S.-patented machinery and equipment to lay pipelines. Because of this, the West European countries have been having a heated argument with the United States. The United States also put forth the same demand on the Japanese-Soviet joint project to exploit continental shelf oil and natural gas on Sakhalin (Kuril Islands). As a result, relations between Japan and the United States are strained.

The Sakhalin exploitation project was signed by Japan and the USSR in 1972 in accordance with the agreement of the Japanese-Soviet Joint Economic Committee. The project is within the scope of compensation trade between Japan and the USSR. According to the agreement, Japan will grant \$150 million loans to the USSR and will rent drilling technology, machinery and spare parts from the United States. After the project is completed, the USSR will supply oil and natural gas to Japan at a low price for 20 years. Japan expects to get 3 million tons of liquified natural gas [lng] annually. This is a relatively big project in the Japanese-Soviet economic contacts.

In February this year, the United States suddenly informed Japan that the Japanese-Soviet joint project on Sakhalin was one of seven projects the United States had imposed economic sanctions against and that the United States was not going to permit Japan to employ U.S. technology and American machinery and spare parts for the construction work of the project. In June Reagan wrote a letter to Suzuki and reiterated that the United States would not slacken economic sanctions against the USSR. He wanted Japan to act in deference to the will of the United States.

The strong demand of the United States may lead to a miscarriage of the Japanese-Soviet joint exploitation project on Sakhalin. In June, during the summit meeting of the heads of the developed countries, the heads of Japan and the United States had a talk. Prime Minister Suzuki pointed out that the United States should relax its requirements and exclude the Japanese-Soviet joint exploitation project of oil and natural gas in Sakhalin from the economic sanction. Following that, Foreign Minister Yoshio Sakuruchi and Minister of International Trade and Industry Shintaro Abe wrote letters to U.S. Secretary of State Alexander Haig and Commerce Department Secretary Malcolm Baldrige respectively, hoping that the United States would consider their options. However, the United States did not pay any attention to them. It went so far as to say that if Japan and other foreign enterprises violate the U.S. sanctions, the United States may adopt antagonistic measures on the enterprises' capital in the United States.

The words and deeds of the United States irritated Japan. At the beginning of July, Deputy Minister of International Trade and Industry Fujihara openly criticized the U.S. sanction at a press conference. He said that the U.S. sanction was "rude and has infringed the sovereignty of other countries," and that it is "ridiculous from the viewpoint of international law." On 20 July the Japanese ambassador to the United States paid an official visit to the U.S. deputy secretary of state and transmitted the four official comments of the Japanese Government that the demand of the United States was "difficult to accept." Meanwhile, Japan decided to continue implementing the contract of joint exploitation of oil and natural gas in Sakhalin without employing U.S. machinery and in disregard of the U.S. opposition. Japan held that Sakhalin is close to Japan and has abundant natural resources. After the exploitation project is completed, part of the energy demands of Japan will be solved. Moreover, Japan has invested some \$170 million in the exploitation project in Sakhalin; if the contract is not carried out, the capital will be wasted. Furthermore, since the West European countries' boycott against the U.S. economic sanctions against the USSR, Japan has been emboldened to resist the pressure of the United States.

Under the circumstances of the decline of the international capitalist economy, the developed countries are all out seeking outlets. The development of the conflict between Japan and the United States regarding economic sanctions against the USSR is something that deserves our attention.

SIHANOUK LEAVES FOR YUGOSLAVIA, ROMANIA

OW110718 Beijing XINHUA in English 0705 GMT 11 Aug 82

[Text] Beijing, August 11 (XINHUA) -- Democratic Kampuchean President Samdech Norodom Sihanouk and Mme. Sihanouk left here by air this morning for a tour of Yugoslavia and Romania. Sihanouk and Mme. Sihanouk were seen off at the airport by Chinese Vice-Minister of Foreign Affairs Wu Xueqian as well as diplomatic envoys of Yugoslavia, Romania, Malaysia, Thailand, the Philippines and Democratic Kampuchea to China.

Yesterday, Chinese State Councillor and Minister of Foreign Affairs Huang Hua gave a luncheon for Sihanouk and Mme Sihanouk, wishing them success on their visit.

AFP Reports Sihanouk Plans

OW110802 Hong Kong AFP in English 0728 GMT 11 Aug 82

[By Charles-Antoine de Nerciat]

[Excerpts] Beijing, Aug. 11 (AFP) -- The new anti-Vietnamese Cambodian Coalition has begun a diplomatic offensive aimed at securing international support on the eve of the United Nations General Assembly in New York. Coalition President Prince Norodom Sihanouk told journalists today before leaving Beijing for Yugoslavia and Romania that the leaders of the three groups making up the coalition will take part in the United Nations session to discuss the problem of Cambodian representation. Vietnam and its Soviet allies will contest the legitimacy of the coalition -- set up in opposition to the Heng Samrin administration in Phnom Penh -- at the meeting.

Prince Sihanouk said he would be joined in Belgrade by Khmer Rouge leader Khieu Samphan who is currently on a visit to Egypt. Mr Son Sann is at the moment travelling in France and Switzerland. Prince Sihanouk said that he would also go to Washington while in the United States.

"The United States ambassador to China, Arthur Hummel, has assured me I would be very well received in Washington," he said without specifying whether he would meet members of President Ronald Reagan's administration. Before leaving for New York, Prince Sihanouk is to return to China on August 20. He said that after his visit to the United States, he would come back to China again, and then go to North Korea in October. He said he would go to Thailand and Cambodia in November and to France in December.

XINHUA PRAISES ASEAN COOPERATION, ACHIEVEMENTS

OW102134 Beijing XINHUA Domestic Service in Chinese 1606 GMT 8 Aug 82

[Text] Hong Kong, 7 Aug (XINHUA) -- Summary report: "ASEAN Is Advancing Amid Regional Cooperation"

It has been 15 years since the Association of Southeast Asian Nations was founded. During this period, the five ASEAN countries have constantly strengthened cooperation among themselves. With the changes in the international situation, particularly since Vietnam's invasion and occupation of Kampuchea, ASEAN has become a more and more important force for preserving peace and stability in the Asian-Pacific region.

At the time of its founding on 8 August 1967, ASEAN announced its objective as "to make joint efforts to promote economic growth, social progress and cultural development in the region." Thanks to their joint efforts, the five ASEAN countries have steadily promoted economic cooperation among themselves. In 1977, 71 commodities produced by ASEAN members enjoyed preferential treatment within ASEAN, and now the number of commodities enjoying preferential treatment has risen to 8,563. The total trade volume among the ASEAN members increased from \$9.848 billion in 1978 to \$19.8 billion in 1980.

In the last few years, the ASEAN countries have accelerated their cooperation in the field of energy. They cooperate in petroleum supply and plan to build an electric power supply network among themselves. In addition, they have reached agreements on cooperation in the development of energy sources, such as water power, coal and geothermal energy.

In financial cooperation, the ASEAN countries signed the "Memorandum on Accommodation of Funds" in 1977. In that year, the mutual-benefit loans among the ASEAN countries totaled \$100 million. Now the total amount has increased to \$200 million. Moreover, the ASEAN countries have also developed cooperation to various extents in agriculture, shipping, tourism and science and technology.

ASEAN's political objective is "to promote peace and stability in Southeast Asia." In November 1971 the foreign ministers of the five countries made a proposal on turning Southeast Asia into a "zone of peace, freedom and neutrality." Thereafter, the ASEAN countries did a great deal of work toward this end. In the 1970's they unanimously rejected the proposal made by the Soviet Union on an "ASEAN collective security system." Since Vietnam's invasion and occupation of Kampuchea at the end of 1978, ASEAN has all along condemned Vietnam's crimes of violating the UN Charter and committing aggression against a neighboring country, supported the Democratic Kampuchean Government and refused to recognize the puppet Phnom Penh regime propped up by Hanoi.

ASEAN is not a military bloc, but the ASEAN countries, facing the common threat of external aggression, have to strengthen regional military cooperation. Among them, there are more and more exchanges of military visits and bilateral multilateral joint military exercises. On an increasingly large scale, those military exercises are primarily for coping with invasions by external forces. The unity and cooperation among the ASEAN countries are conducive to their national independence and economic development and also to peace and stability in Southeast Asia.

BURMESE TROUPE PAYS GOOD-WILL VISIT TO PRC

BK051357 Beijing in Burmese to Burma 1130 GMT 5 Aug 82

[Text] A Burmese cultural dance troupe headed by Lt Col (Thein Sein) flew in to Beijing Airport this afternoon for a good-will tour of China at the invitation of the Chinese Ministry of Culture.

The Burmese guests were welcomed at the airport by Deputy Manager of the China Performance and Entertainment Company (Yang Rie) and responsible officials and by personnel of Beijing's fine arts and cultural circles.

First Secretary of the Burmese Embassy U Hla MyintOo was also at the airport to welcome the guests. The Burmese cultural dance troupe stopped briefly in Beijing before proceeding to Tianjin by road.

Beijing Radio Comment

BK051433 Beijing in Burmese to Burma 1130 GMT 5 Aug 82

[Unattributed article: "Flourishing New Blossoms of Sino-Burmese Friendship"]

[Text] Last July the Chinese people happily welcomed Burmese Foreign Minister U Chit Hlaing and his delegation to China. Now, once again, they are happily welcoming a Burmese cultural dance troupe led by Lt Col (Thein Sein), which has brought along with it the great love of the Burmese people. They are also eagerly awaiting the arrival in the next few days of a Burmese cultural and sports delegation headed by Burmese Minister of Culture U Aung Kyaw Myint.

Such friendship visits reflect flourishing new blossoms in the garden of Sino-Burmese friendship. China and Burma are friendly neighbors as well as developing nations. Thanks to careful nurturing by our leaders, our two countries have continually developed friendly relations. Today friendly cooperation between our two countries in the fields of politics, economics and culture has also developed constantly.

The Chinese people greatly value Sino-Burmese friendship. During his meeting with Foreign Minister U Chit Hlaing on 16 July, Premier Zhao Ziyang said the Chinese Government will continue to make efforts to develop friendly relations and cooperation between the two countries.

Since Burma is a country with an ancient culture, Burmese fine arts and culture are like a precious gem in the world's cultural treasury. The Burmese cultural dance troupe that is visiting China today is just like the Burmese troupe which paid us a visit 1978. This troupe includes artists from all fields. Since the style of the Burmese artists is not only oriental but unique in presentation, the Chinese people will once again have the chance to enjoy its unique arts fully. For Chinese artists, it will be another rare opportunity to learn from the Burmese.

There can be no doubt that the current visit of the Burmese cultural troupe will contribute to the further strengthening of the traditional friendship as well as the mutual understanding between our two peoples. May the Burmese artists enjoy their tour of China and may their performances be successful.

TRADE MISSION LEAVES FOR BURMA, BANGLADESH

OW041042 Beijing XINHUA in English 0745 GMT 4 Aug 82

[Text] Beijing, August 4 (XINHUA) -- A Chinese Government trade delegation led by Jia Shi, vice-minister of foreign economic relations and trade, left here by air today on friendly visits to Burma and Bangladesh.

SRV REPORT ON ECONOMIC SHORTCOMINGS CITED

OW061724 Beijing XINHUA in English 1505 GMT 6 Aug 82

[Text] Beijing, August 6 (XINHUA) -- Production of Vietnam's industry, agriculture and other economic sectors failed to reach state planned targets or remained at a very low level in the first six months of this year, according to Hanoi press reports. The overall economic situation of that country and the life of the people are still unstable and beset with great difficulties, the reports added.

In the first half of this year, although industrial production as a whole increased by 19.5 percent as compared with the corresponding period of last year, many important sectors failed to fulfill their production plans. They included electricity, machine-building, phosphate fertilizer, bicycle tires, sugar, cloth, paper and cigarettes. Earth stripping work on various opencast coal mines was also behind the state plan, and the quality of the coal produced was inferior. Installation work at local capital construction projects was less than 40 percent of what was planned. Cement production reached only 41 percent of the yearly planned target.

The reports attributed the failures to shortages in raw materials, supplies and funds. The industrial bureau of the Hanoi Municipality, for instance, only managed to obtain a quarter to one half of the various essential materials required. Some industries in Ho Chi Minh City had to be content with 30 percent of the raw materials they needed. The lack of raw materials cut operation in some industries in Haiphong to 30-40 percent of the installed capacity.

In agriculture, the reports described the winter-spring rice harvest as a "big victory," but had to deplore reductions in the output of other crops. The Council of Ministers, in a resolution adopted in June, admitted that food shortages remained the biggest problem for Vietnam.

Predicting the economic situation in the second half of the year, the press reports said because of the uncertainties in material supplies, electric power and transportation, it would be a very heavy task to fulfill all those pressing economic plans.

AUSTRALIAN DEFENSE MINISTER VISITS THAILAND

OWO71727 Beijing XINHUA in English 1625 GMT 7 Aug 82

[Text] Bangkok, August 7 (XINHUA) -- Australian Defence Minister Ian Sinclair said here today that he had noted the special concern felt over the Vietnamese presence on the Thai border and the increased reliance Vietnam placed on the Soviet Union.

He said: "Australia shared with Thailand a common concern for the security and stability of Southeast Asia and the Indo-Chinese region." The Australian minister made this statement at a press conference before his departure for Malaysia today after his three-day visit to Thailand.

He said that his visit to Thailand came at a particularly opportune time when ASEAN members were striving to reduce the dangers for future stability in the region arising directly from the Soviet-backed Vietnamese presence in Kampuchea.

Questioned about the extent of the Soviet threat in the region, he said: "Generally, around the world, the Soviets seem to pursue a very aggressive policy which led to the situation as it developed in Afghanistan, parts of Africa and Eastern Europe", as well as in this region, adding that the presence of a Vietnamese-backed regime in Kampuchea placed a particular threat to the countries in this region.

Asked about Australia's stand on Kampuchea, he said that his country is to review its stand on Kampuchea's representation at the United Nations following the formation of the coalition government.

Australia previously abstained during voting at the General Assembly's Credentials Committee to seat the Government of Democratic Kampuchea. However, he said it would be premature to declare that a change was forthcoming.

Sinclair had come to Thailand after his visits to Singapore and the Philippines. During his stay here, he had discussions with Thai Defence Minister Prem Tinsulanon, Foreign Minister Sitthi Sawetsila and other high ranking officers, on the situation in the Southeast Asian and Indo-Chinese region. They also explored the possible avenues for closer practical defence contacts and cooperation.

He also visited the headquarters of the Ninth Infantry Division which is responsible for the defence of the Thai-Kampuchean border areas and the Khao-I-Dang refugee holding centre near the Thai-Kampuchean border.

KANG KEQING MEETS THAI WOMEN'S DELEGATION

OW091905 Beijing XINHUA in English 1618 GMT 9 Aug 82

[Text] Beijing, August 9 (XINHUA) -- Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and president of the All-China Women's Federation, this evening met with a delegation from the National Council of Women of Thailand led by Khunying Orawan Futrakun, chairman of the council. In their conversation, Kang Keqing said China and Thailand are friendly neighbors. "The traditional friendship between China and Thailand has further developed in recent years. We share a common language on many major international issues," she said.

She said that the constant growth of contacts between the women of China and Thailand has helped strengthen the friendship between the people of the two countries.

Khunying Orawan said: "We have come for the promotion of Thai-(?Chinese) friendship and peace in Asian region as well. Women in both Thailand and China are facing a common task working for the development of their own countries. We'll convey the Chinese women's sincere friendship to the Thai sisters."

After the meeting, Kang Keqing hosted a banquet in honor of the Thai guests. Huang Ganying, vice-president of the All-China Women's Federation, proposed toasts at the banquet on behalf of Kang Keqing.

Present on the occasion were Hao Jianxiu, Chinese minister of textile industry, and Sudanond Sinthvwanon, wife of the Thai ambassador to China.

GUANGMING RIBAO ON THEORIES OF WEST EUROPEAN UNITY

HK100421 Beijing GUANGMING RIBAO in Chinese 30 Jul 82 p 4

[Article by Wei Jiaju [7614 1367 7467]: "The Decline of the Supranational Theory and the Rise of the Sovereign State Theory in Western Europe"]

[Text] The appearance of the European Economic Community [EEC] in Western Europe and its activities and development in the international political and economic arena has produced an impact to some extent on the development of politics and legal ideas in Western Europe.

1

As a group of states, the European Community [EC] itself is not a certain form. But in the process of its development, since the beginning there have been two opposing ideological tendencies as to the future of the EC and what form it should take. One view is that the EC must move toward European federation and gradually eliminate the demarcation of state sovereignty. West Germany's fundamental law (that is, constitution) has made legal preparation for this view. Article 1 of Section 24 of this fundamental law provides: "The federation is legally entitled to transfer its sovereignty to an international organization." According to the explanation approved by West Germany's constitutional court, the EC is such an international organization, whereas the other view is for safeguarding the sovereignty of member states and maintaining the EC on the basis of a union of sovereign states. France represents this view. At a press conference held in 1965, De Gaulle criticized the concept of European federation and pointed out: "According to the dream of the initiators, the member states will lose their state entity. This is an unrealistic proposal. France offers another proposal, that is, the well-organized collaboration between states, which is likely to grow into a confederation." This proposal means "except for the governments of the six states, no one should decide or execute any important matters."

The two different political and ideological ideas are the reflection of the above-mentioned two political tendencies on the EC issue. Extended from the first tendency is the supranational theory, whereas, the sovereign state theory is an extension of the second tendency. The decline and rise of these two ideas is closely linked with the development of the actual political situation.

2

From the 1960's to the early 1970's, the EC was in the prime of its development and confident about the prospects of union. As a result, the supranational theory was popular at that time. (Beisikatuoer) [6296 2448 595 5192 1422] systematically summarized this view in his book published in 1972: "Law of Union -- a New Phenomenon in International Relations From the Experience of the EC." He held that the establishment of the EC was a rearrangement of sovereignty and redistribution of responsibilities in a general scope beyond the limits of member states. The premise of union is the "nature of division of sovereignty" which cannot be found in classical international law. Traditional sovereignty theory holds that there is only one supreme power within territory, namely sovereignty. The relationship between states is coordination and cooperation only. The international organization provides for the scope of cooperation between states but does not touch on state sovereignty. The characteristics of this relationship developed under such circumstances are weak and unstable. As far as sovereignty is concerned, (beisikatuoer) held that it was "limited, divisible, transferable and can be exercised jointly." With a view to treating sovereignty from the general situation of the EC, he devised the division of the EC and every member state. That is, the sovereign rights of the EC are centered on making political decisions and formulating joint legislation, whereas every member state executes them separately.

The supranational theory raises the idea of European federation to a theoretical plane. Rather, it represents a political ideal. Since the mid-1970's, the EC has been confused by economic recession. In order to protect themselves, all the countries have shifted their troubles to others. The supranational theory was thus challenged by harsh reality. People have gradually realized that supranational sovereignty is ultimately void and useless. In real life, only the concrete sovereignty of a member state has the final say. The sovereign states have to go into action in various forms in order to adapt themselves to the situation.

3

[Words indistinct] "The Role of the Supranational [words indistinct] published in 1979, (Rene Flourens) [Rui-na fu-luo-en 5360 4780 1715 5012 1869] raised the question: "Do supranational states exist or not?" and asked: "Is it appropriate just to call it a state conference of a permanent nature?" Subsequently, a book review in the magazine LEGAL COMMENTS OF THE COMMON MARKET said that it was not (Flourens') invention. "As a matter of fact, it has been put by many people." Its significance, however, lies in the fact that it represents a kind of ideological tendency in the theoretical field, just as (Beisikatuoer's) representative work mentioned above.

Up to now, many scholars have tended to distinguish the EC from the economic organizations of other countries by its joint policies and unified action. Since 1974, however, some West European politicians have successively put forward different views on it. In June 1980, French Prime Minister Barre submitted that it was not necessary for all the member states to do the same thing at the same time and in the same form. Meanwhile, at the 19th academic annual meeting jointly held by the European Research Institute of Holland's Leiden University and Britain's Research Institute of International Law and Comparative Law, an academic report on the EC's "two-tier system" was officially delivered. The essence of this theory is that if one or certain member states cannot take part in joint action, they may not take part in it temporarily. However, the EC and all the states concerned must make joint efforts to clear away obstacles and attain the goal of union.

This latest development on the theory of the EC stresses the allowance for differences and the allowance for delay in taking part in joint action. It is tantamount to laying stress on the activities of sovereign states. If some member states do not take part in joint action by stressing their own characteristics while others have reservations on other policies, the EC will surely suffer setbacks in promoting joint policies. What deserves our attention is a reporter's remark: "If we demand completely identical policies in all economic and social fields, the process of union, which has been slowed down since the 1970's, will get completely bogged down. No one would benefit from it." Whereas the so-called two-tier system "accords better with the aim of agreement than the paralysis of the EC which results from the pursuit of identity of form." Obviously, this is an attempt by the EC to extricate itself from this theoretical predicament.

It can be expected that as long as there is no astonishing improvement in the situation of economic recession in the whole capitalist world, the trend of thought in the EC will continue to tilt in favor of the state sovereignty theory of the West European member states.

EEC REACHES STEEL PRODUCTS AGREEMENT WITH U.S.

OW070757 Beijing XINHUA in English 0700 GMT 7 Aug 82

[Text] Brussels, August 6 (XINHUA) -- An EEC spokesman announced here today that an arrangement has been reached between the representatives of the United States and the European Economic Community to limit the share of eleven European exported steel products in the U.S. market to 5.754 percent.

Etienne Davignon and Wilhelm Haferkamp, vice-presidents of the EEC, and U.S. Secretary of Commerce Malcolm Baldrige held a series of discussions in Washington on August 3-5 in an attempt to reduce the tension over steel trade between the two parties.

A joint statement released here later this afternoon said they agreed to recommend "to our respective authorities and industries" acceptance of an arrangement on the export of eleven steel products from Europe. The U.S. side, in return, it said, "would withdraw its pending antidumping, countervailing duty" and "complaints on products covered by the arrangement." They believe, the statement stressed, "that this arrangement would be a major step towards ending the constant litigation and dispute over trade in steel, which has been a source of irritation between the EEC and the U.S. for many years."

According to recent reports here, the average bracket in 1977-1981 for the eleven products under discussion was 6 to 6.5 percent. The U.S. wanted to bring it down to 5.6 percent, but European producers considered a share of 5.8 percent to be the extreme concession. The newly settled figure of 5.754 percent appears thus to be a compromise.

However, this arrangement does not seem to be the final solution. The EEC spokesman noted that although there would be no dispute among EEC governments over this global figure, it still depends upon the judgements of various European steel makers when it is put forward to "Eurofer" for discussion. More important is the fact that "the U.S. industrial circles control a certain veto power." They would have to OK before a final conclusion could be reached. Nevertheless, the spokesman pointed out, the U.S. steel industry should withdraw all their complaints as this was one of the EEC's essential conditions for agreeing with such an arrangement.

CHEYSSON CITED ON NUCLEAR FUEL TO INDIA

OW081901 Beijing XINHUA in English 1852 GMT 8 Aug 82

[Text] New Delhi, August 8 (XINHUA) -- France will not ask for any special safeguards or joint determination for reprocessing spent fuel from India's Tarapur atomic power plant under a proposed agreement on uranium supply to India, French Foreign Minister Claude Cheysson told a press conference here today. The fissile materials from the reprocessing, however, would be subject to the control of the International Atomic Energy Agency (IAEA) as applicable to other countries, he added.

When asked whether the United States would be a party to the Indo-French agreement, he said, since the proposed agreement would be signed shortly between India and France, "why should they be"? He said his country will be pleased to supply nuclear fuel for the Tarapur plant.

France had been requested to supply low degree of uranium and technique in this field, he noted.

C. Cheysson, who arrived here for one day's visit to India, called on Mrs. Indira Gandhi and talked with India's external minister, P. Narasimha Rao, for two hours. The two sides were satisfied with the expansion of Indo-French cooperation in the economic matters and trade, and expressed the hope for further progress. Cheysson left for home tonight.

NETHERLANDS WARNS AGAINST REJECTING U.S. MISSILES

OW062012 Beijing XINHUA in English 1902 GMT 6 Aug 82

[Text] Brussels, August 6 (XINHUA) -- A Dutch Government report yesterday warned against rejecting the NATO decision on deployment of 48 cruise missiles in the Netherlands after 1983. A 224-page report by the scientific council on government policy said postponement of the decision since 1979 had already undermined the Dutch position in NATO, and if the rejection was made, it could seriously damage NATO.

NATO decided in December 1979 to begin deploying 572 U.S.-made cruise and Pershing-2 missiles in Western Europe by the end of 1983. Out of the five countries designated so far, the plan remains to be ratified by the Netherlands and Belgium.

FINNISH ANTISUBMARINE PATROLS INCREASED

OW092039 Beijing XINHUA in English 1902 GMT 9 Aug 82

[Text] Helsinki, August 9 (XINHUA) -- The Finnish Frontier Guard has reinforced their coastal patrols and supervision off the coast of Avenanmaa Province, south Finland, following the announced re-appearance of an unidentified submarine in the Finnish waters last weekend. Foreign submarines have violated the Finnish territorial waters off Ahvenan coast three times this summer, according to newspaper reports here.

Finnish Foreign Minister Par Stenback was reportedly following the development closely. After meeting Finnish Foreign Minister Par Stenback on August 6, state secretary of Swedish Foreign Minister Leif Leifland told news reporters that Sweden and Finland will cooperate, and coordinate in patrolling against the trespasses of the submarines upon the territorial waters.

The Finnish newspaper HELSINGIN SANOMAT pointed out in an article on August 7 that the repeated appearance of foreign submarines off the Swedish coast is aimed at a complete investigation of the Swedish coastal defence, the military equipment and installations in the Danish Strait and its adjoining waters. The activities are to investigate the passage of the Baltic Sea as well as a trial navigation or a manoeuvre, the article added. It is not clear why the recent years have seen growing activities of the submarines, the article stressed, but a convincing explanation is that the Warsaw Pact feels it necessary to reconnoitre thoroughly the defence area in the Danish Strait with the deterioration of the international situation. During the past years the Warsaw Pact has strengthened its landing force in the Baltic areas, it added.

AMBASSADOR TO GREECE ENDS MISSION, DEPARTS

OW101432 Beijing XINHUA in English 1259 GMT 10 Aug 82

[Text] Athens, August 10 (XINHUA) -- Chinese Ambassador to Greece Yang Gongsu left here for home today at the end of his tenure.

On August 5, the Chinese ambassador called on Greek Prime Minister Andreas Papandreu. They exchanged views on ways to develop friendly relations between the two countries. Yang Gongsu also called on President of the Greek Parliament Ioannis Alevras and government officials to bid farewell. The ambassador gave a reception on August 5 to say good-bye to other members of the diplomatic corps here.

SFRY, CUBAN MINISTERS DISCUSS NONALIGNED ISSUES

OW050407 Beijing XINHUA in English 0301 GMT 5 Aug 82

[Text] Belgrade, August 4 (XINHUA) -- Pressing international problems and the present non-aligned countries' activities were discussed by Cuban Foreign Minister Isidoro Malmierca and Yugoslav Foreign Minister Lazar Mojsov in their talks concluded here this morning, according to the Yugoslav national news agency TANJUG.

"Mojsov and Malmierca agreed that now, with international communications channels completely paralysed, it is necessary to preserve the unity and action capability of the movement of non-alignment in order to enable it to make its full contribution to overcoming the grave crisis besetting the world today," said the TANJUG report.

The two foreign ministers were also reported to have considered proposals on measures and activities by the non-aligned countries in connection with their seventh summit due to be held in Baghdad next month.

TANJUG said no agreement was reached on recent proposals that the summit be postponed or its venue changed because of the war between Iran and Iraq. The Cuban foreign minister arrived here yesterday on a working visit and left here today.

USSR, GDR, POLAND HOLD JOINT MILITARY EXERCISES

OW240258 Beijing XINHUA in English 0242 GMT 24 Jul 82

[Text] Berlin, July 23 (XINHUA) -- The five-day military exercises held jointly by Soviet, GDR and Polish troops ended in central East Germany today with an on-the-spot meeting attended by the commanding officers of the three countries. It was stressed at the meeting that the three countries' armies stand ready at any time to carry out their "class commitments" in the tense international situation.

Taking part in the meeting were Army General Ivan Shavrov, liaison officer of the United Armed Forces of the Warsaw Treaty states with the GDR Army; Mikhail Zaitsev, commander of the Soviet troops in the GDR; three GDR vice-ministers of defence, Fritz Streletz, Horst Stechbarth and Wolfgang Reinhold; and representative from Polish Ministry of Defence Wojciech Baranski.

EGYPTIAN, PLO DELEGATIONS HOLD DISCUSSIONS

OW081552 Beijing XINHUA in English 1507 GMT 8 Aug 82

[Text] Cairo, August 8 (XINHUA) -- Egyptian Minister of State for Foreign Affairs Butrus Ghali held lengthy talks here yesterday with a PLO delegation led by member of its Executive Committee Sidqi Ad-Dajani. After the talks Ad-Dajani hailed Egypt's position stressing United States support to the Palestinians' right to self-determination.

The talks followed a meeting of President Husni Mubarak and his top political aides reviewing the latest developments in Lebanon and deputy premier Kamal Hasan 'Ali's talks with U.S. officials in Washington.

'Ali told reporters after the meeting that Egypt has not taken a decision concerning the acceptance of the Palestinians. He insisted that before the departure of the Palestinians from Beirut, there must be a comprehensive solution to the Palestinian problem.

He added that Egypt is for the setting up of a provisional government for the Palestinian command and not for hosting the Palestinian fighters.

'ARAFAT SAYS 'FINAL AGREEMENT' ON BEIRUT REACHED

OW101913 Beijing XINHUA in English 1623 GMT 10 Aug 82

[Text] Beirut, August 9 (XINHUA) -- Chairman of the Executive Committee of the Palestine Liberation Organization Yasir 'Arafat said the United States, Lebanon and the PLO have concluded a "final agreement" on the withdrawal of the Palestinian armed forces from Lebanon, Beirut radio reported.

In an interview with the Paris newspaper LE MONDE, 'Arafat announced that Syria, Egypt, Jordan and Iraq have agreed to accept the PLO soldiers after their withdrawal from Lebanon.

Lebanese President Ilyas Sarkis and Prime Minister al-Wazzan held "important" discussions this morning with U.S. special envoy Philip Habib. Al-Wazzan told reporters after the meeting that negotiations on a political settlement of the Beirut crisis had been completed and that Habib was working on a final implementation plan. Al-Wazzan reportedly had passed Habib's final plan to 'Arafat in the evening when they had talks. 'Arafat agreed on the plan in principle but asked for a 48-hour period for discussions before a PLO reply.

Lebanese national TV station in a broadcast disclosed Habib's ten-point plan, under which the PLO is responsible for offering the list and whereabouts of Palestinian leaders, officers and soldiers who will withdraw from Beirut; the PLO withdrawal will be completed within 15 days; the Palestinian armed personnel can take light weapons with them; 7,000 PLO troops will leave Beirut by French merchant ships, while the remaining 2,000 will be transported by Lebanese Army buses through international highways; and the multinational army will consist of 1,200 to 1,600 men and will stay in Lebanon for 15 days.

The broadcast said that the first group of Palestinian armed personnel will leave Beirut for Jordan on August 12. Alongside an optimistic atmosphere surrounding the political negotiations, the military situation in Lebanon is further deteriorating. Israeli warplanes raided west Beirut for three hours beginning 4 p.m. today.

Israeli Foreign Minister Yitzhak Shamir said that Israel will continue to keep up its military pressure on Beirut so as to force Palestinian armed forces to withdraw from Lebanon as early as possible.

U.S. AMBASSADOR, BEGIN DISCUSS BEIRUT EVACUATION

OW102004 Beijing XINHUA in English 1906 GMT 10 Aug 82

[Text] Washington, August 10 (XINHUA) -- U.S. Ambassador Samuel Lewis today discussed with Israeli Prime Minister Begin a plan which calls for a multinational force to arrive in west Beirut as evacuation of Palestine Liberation Organization fighters begins, the White House announced here today. The plan and timetable, crafted by U.S. special envoy Philip Habib during his 40 days of negotiations in the Middle East and formally presented to Israel last night, has reportedly been accepted by PLO and the Lebanese Government.

The first foreign contingent, according to details made known, will consist of 200 French soldiers. They'll be followed by 600 other French soldiers along with 800 U.S. Marines and 400 Italian soldiers. It was reported that the PLO insisted that at least some part of the international force should be deployed in Beirut at the outset of the evacuation to provide protection for the guerrillas. Begin said on Sunday that Israel wanted most of the Palestinians to leave before the multinational forces arrival.

Begin also said Israel would demand written assurances from the United States, France, Italy and Lebanon that the international units would force PLO guerrillas out of Beirut or allow the Israeli army to drive them out. A Washington POST report said "similar assurances were understood to be in the written plan delivered to the Israeli Government." The evacuation plan does not call for any pullback of the Israeli army during the PLO's withdrawal from Beirut, the report said.

A Washington POST report from Jerusalem said that the plan was understood to include timetables for the withdrawal of the PLO fighters to Jordan, Syria, Iraq and Sudan, but not Egypt. Egypt has said it would support the evacuation plan only if the withdrawal is linked to a wider agreement committing the United States to progress on an overall Palestinian solution.

The POST report said U.S. administration officials privately cautioned that potential problems remain over such issues as "firm commitments on the destinations of the PLO fighters, Egypt's willingness to join the process and Israel's acceptance of French troops as the vanguard of a multinational force."

AFP REPORTS ON TAKEOVER OF AFRICAN EMBASSY

Police Aid Sought

OW100404 Hong Kong AFP in English 0342 GMT 10 Aug 82

[Excerpt] Beijing Aug 10 (AFP) -- The Central African authorities have ordered their charge d'affaires here to ask the Chinese police to evacuate their embassy occupied since yesterday by scholarship students protesting that they had not received their grants. A student spokesman today told AFP that Charge d'Affairs Nicolas Bengue had received a telegramme from the Central African State Secretary of Foreign Affairs, Captain DiMassi, ordering him to disperse the students with the help of the Chinese police. We will continue to occupy the embassy until our demand is satisfied. If the Chinese intervene, we will resist," the spokesman said. However, he added that Mr Bengue had not yet carried out Captain DiMassi's order.

Envoy Released

OW101514 Hong Kong AFP in English 1506 GMT 10 Aug 82

[Text] Beijing Aug 10 (AFP) -- The Central African charge d'affaires in Beijing, held hostage since yesterday by students protesting the non-payment of scholarship money by their government, has been released, a students' spokesman said today. They allowed Nicolas Bengue, Central Africa's only diplomat now in Beijing, to leave the embassy. However, four students are still occupying the premises.

They said [they] intended to remain in occupation until a "satisfactory answer" from their government had been received. The government in Bangui had called on their charge d'affaires to request the student's removal by Chinese police. Mr Bengue refused to say if the request (?was) passed on.

The students said they would resist any Chinese intervention. "This is an internal matter of Central Africa and we are in no way harming China by taking over our embassy, which is an integral part of our territory", said a spokesman for the students. Chinese officials refused to comment on the matter. (?The) students, said Mr Bengue, had been advised to steer clear of the embassy until the matter is resolved.

One of the (?students) called the situation around the [words indistinct] as normal and said they were able to come and (?go). Asked how they were able to get food for the last 48 hours, he said they managed.

Daniel Nambai, Jean-Maurice Bomayabu, Dieudonne Mgaba (?and) Bernard Kondjili Kangi arrived in China last September and had yet to receive the monthly sum of 57,000 francs CFA (167 dollars) complementing the monthly 120 yuan (62 dollars) given by China as part of the scholarship money. Having completed 1 year at the Language Institute of Beijing, the four youths wanted to make sure that the Central African Fund was a reality before leaving on new provincial assignments.

MOZAMBIQUE TRADE DELEGATION MEETS OFFICIALS

Meeting With Chen Muhua

OW070749 Beijing XINHUA in English 0738 GMT 7 Aug 82

[Text] Beijing, August 7 (XINHUA) -- Chen Muhua, state councillor and minister of foreign economic relations and trade, held talks here today with Salomao Munguambe, minister of foreign trade of Mozambique. They exchanged views on the further development of economic relations and trade between the two countries.

Attending the talks was Lu Xuejian, Chinese vice-minister of foreign economic relations and trade. Minister Munguambe and his party arrived yesterday.

Chen Muhua Gives Banquet

OW071655 Beijing XINHUA in English 1644 GMT 7 Aug 82

[Text] Beijing, August 7 (XINHUA) -- Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade, gave a banquet in honor of Salomao Munguambe, minister of foreign trade of Mozambique, and the government trade delegation he is leading, at the Great Hall of the People here this evening. In her speech at the banquet Chen Muhua spoke of the achievements the Mozambican people had made in their national construction under the leadership of President Samora Moises Machel.

She said: "Since the establishment of diplomatic relations between China and Mozambique bilateral economic and technical cooperation has been developed smoothly. Trade relations are growing steadily.

"China is willing to develop economic and trade relations with Third World countries on the principle of equality and mutual benefit and of supplying each others needs, so as to increase their own ability to develop economy through self-reliance," Chen Muhua stated.

In reply, Minister Munguambe said that his country attached importance to consolidating and deepening its friendly relations with China. The relations of friendship, unity and militancy between the two peoples were initiated when the Mozambican people began their struggle for national independence.

Minister Munguambe said that the current international structure of economic relations could not satisfy the aspirations of the developing countries, because it had been based on the domination of the developed powers over the developing countries, in an attempt

to protract the differences between the rich and the poor, between the producers and consumers, and between the exploiters and the exploited. The economic development of Mozambique called for urgent change in the international economic relations.

Group Meets Yao Yilin

OW091926 Beijing XINHUA in English 1510 GMT 9 Aug 82

[Text] Beijing, August 9 (XINHUA) -- Vice-Premier Yao Yilin met with the Mozambique Government trade delegation led by Salomao Munguambe, minister of foreign trade, in the Great Hall of the People here this afternoon.

Yao Yilin said he hoped that China and Mozambique would enhance mutual understanding and expand their trade relations. "This will help to promote friendly relations between China and Mozambique and economic cooperation among Third World countries," he said.

Minister Munguambe told the Chinese vice-premier that he has come to China to strengthen economic cooperation between Mozambique and China and the friendship between the two peoples. Attending the meeting was Lu Xuejian, vice-minister of foreign economic relations and trade.

Huang Ha Meets Trade Minister

OW091759 Beijing XINHUA in English 1624 GMT 9 Aug 82

[Text] Beijing, August 9 (XINHUA) -- Chinese State Councillor and Minister of Foreign Affairs Huang Hua this afternoon met and had a friendly conversation with Salomao Munguambe, minister of foreign trade of Mozambique.

Agreement Signed

OW091932 Beijing XINHUA in English 1508 GMT 9 Aug 82

[Text] Beijing, August 9 (XINHUA) -- A government trade agreement between the People's Republic of China and the People's Republic of Mozambique was signed here today.

The trade agreement is the first signed between the two governments since the establishment of diplomatic relations between China and Mozambique. Chinese state Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua and Mozambique Minister of Foreign Trade Salomao Munguambe signed the document on behalf of their respective governments. Minister Munguambe and his delegation will shortly leave here to tour southern China.

FLOOD CONTROL EFFORTS REPORTED ON HUANG HE

OW101930 Beijing XINHUA in English 1501 GMT 10 Aug 82

[Text] Beijing, August 10 (XINHUA) -- Water from the second largest flood flow of the Yellow River since 1949 emptied into sea at 14:00 hours yesterday, through Lijin hydrological station in Shandong Province, the Central Flood Control Headquarters under the State Council announced today.

The flow was caused by downpours in the middle reaches of the Yellow River starting late July. On August 2, the flow passing through Huayuankou hydrological station near Zhengzhou was 15,300 cubic meters per second, second only to the post-liberation record flow of 22,300 cubic meters per second in the summer of 1958.

In order to ensure the safety of Shandong Province on the lower reaches of the Yellow River, a water retarding project was put into use August 6, diverting flood waters from the river into the Dongping Lake area, which is capable of retaining 400 million cubic meters of water, according to the Central Flood Control Headquarters.

Two sluice gates -- the Linxin and Shilipu sluice gates -- in the flood retention area were closed at 21:00 hours and 23:00 hours respectively yesterday, three days after they were opened to divert flood waters from the Yellow River.

As a result of the water-diversion effort, said the Central Flood Control Headquarters, the water flow in the section of the Yellow River in Shandong Province was reduced to below 8,000 cubic meters per second. The flow was measured at 5,800 cubic meters per second at Lijin hydrological station yesterday.

GONGREN RIBAO FAVORS TRADE UNION REORGANIZATION

HK110300 Beijing GONGREN RIBAO in Chinese 5 Aug 82 p 1

[Editorial: "A Mass Organization Must Be Run by the Masses"]

[Text] The Fourth Plenary Session of the Ninth Executive Committee of the All-China Federation of Trade Unions has just ended successfully. One of the main themes of this session was to examine and discuss the organizational reform in the organs of the national trade union federation. Conscientiously and properly carrying out the organizational reform in trade union organs will have important and far-reaching impacts on the improvement of trade union work in our country.

Organizational reform is an important strategic decision of great significance made after thorough deliberation and meticulous preparations by the CPC Central Committee. Now the general political guideline for our country's socialist modernization has already been laid down; the task of setting to right things which have been thrown into disorder in the guiding ideology field has already been completed; the national economy has already begun to develop along a healthy course after preliminary readjustment; and a political situation characterized by stability and unity which has seldom been witnessed since the 1960's has already emerged. Making our organizations and system fit the objective requirement of historical development is one of the important guarantees for the further development of this excellent situation. Only by making the best use of this opportunity to carry out organizational and system reform can we ensure that our party's and government's various guidelines and policies shall be vigorously implemented, and that the socialist modernization drive shall develop day after day.

With regard to the organizations of the trade union federation, the principal purpose of organizational reform is to strengthen their link with the broad masses of staff and workers, overcome bureaucracy, and thus enable the masses to run the mass organizations themselves. This is an important guiding ideology which we should persistently adhere to in carrying out the organizational reform of the trade union federation, and is also an important task to consolidate and develop the results of the trade unions's organizational reform.

Trade unions are the proletariat's mass organizations which are to be engaged in mass work and which are to speak and act on behalf of the broad masses of staff and workers. The organizational structure, cadre staffing, activities, work system, work methods, work style and so on of the trade unions must be favorable to maintaining close ties with the masses and promoting mass work. If the organizations of a trade union are overstaffed, have too many strata, hold each other up and operate as inefficiently as bureaucratic organs, which the masses are bored of and feel very inconvenient to keep in contact with; and if the organizations of a trade union are inefficient because they always shirk responsibility and never make prompt decisions when faced with problems, how can they undertake the task of keeping in contact with and serving the masses? Therefore, the organizations and staff of a trade union must be small in size but highly efficient, and the strata in these organizations must be limited. A trade union's leading cadres at different levels must have extensive popular support and must be selected through democratic election. The leading cadres of trade unions at the grassroots level should be selected mainly from those excellent staff members and workers, while the cadres of the leading organs of trade unions should be selected mainly from the cadres of trade unions at inferior levels. They must be able to frequently go deep into the realities of life, to immerse themselves among the masses, to fulfill in good time every task the party entrusts them with and to carry out vivid and vigorous mass work. In the past, during revolutionary wartime and the initial stage after the nationwide liberation, our organizations and cadres in charge of mass work worked like this. At that time, as soon as an order was given, everybody packed his bag and departed. Thus, everybody could immerse himself all at once among the masses and the work could be immediately carried out. However, our organizations have since grown bigger and there have been more and more strata. So, bureaucracy has subsequently prevailed. Although organizations were expanded and staff was increased, their links with the masses were weakened. Today, as we are planning to restore and carry forward the past fine tradition in mass work, this is a truly necessary step in mobilizing and organizing the broad masses of the people to be more ardently engaged in the socialist modernization and construction. As the proletariat's mass organizations, trade unions should even more actively take the initiative and do a good job in this operation. This is what the party's central authorities expect of us and what the situation demands of us.

In order to enable the masses to run mass organizations themselves, we must not only pay attention to improving the organs and the cadres, but also to improving our work methods and work style. Trade union organizations should foster a good work style which is readily accepted by the masses. Trade union cadres, especially trade union leading cadres at different levels, must constantly go deep into the grassroots levels and the realities of life, immerse themselves and live among the masses, make friends with the masses and try their best to understand the masses' thoughts, emotions and demands, so as to make trade union communications channels and links between the party and the masses. Trade union cadres should also be adept at carrying out investigations and studies, finding out a vast amount of first-hand source materials and discovering new circumstances, new problems and various typical cases, so as to put forth practical opinions, proposals and methods to the party and be capable assistants to the party in doing work concerning the masses of staff and workers. Improving work style and work methods in this way will be even more difficult than streamlining organizations. All trade union organizations must earnestly attach importance to this task in carrying out organizational reform. If we only pay attention to the streamlining of organizations and overlook the need for improvement of work style, we will not only fail to consolidate and develop the results achieved in streamlining organizations, but will even take the road back. As the saying goes, a boat sailing against the current must forge ahead or it will be driven back. We must advance all the way and can never draw back. Although they have not yet started organizational reform at present, those trade union organizations at and below the provincial and municipal levels may also take up the improvement of style right away.

Carrying out organizational reform in trade unions does not mean weakening the cadres and force of trade unions. Instead, trade unions will be entrusted with heavier and heavier tasks. We hope that the party committees at all levels will reorganize and put the trade union organizations on a sound basis according to the directive of the CPC Central Committee; try to staff the leading bodies and trade unions with capable cadres in accordance with the principle of recruiting revolutionary, young, well-educated and professionally competent cadres; and thus render the trade union work more dynamic and give free rein to their expected roles in the four modernizations drive.

SUN YAT-SEN'S REINTERPRETATION OF PRINCIPLES

HK101416 Beijing RENMIN JIBAO in Chinese 10 Aug 82 p 5

[Article by Fang Shiguang [2455 1709 0342]: "The First KMT-CPC Cooperation and Reinterpretation of Dr Sun Yat-sen's Three People's Principles"]

[Text] After the failure of the revolution of 1911, Dr Sun Yat-sen experienced a series of setbacks and failures, including the "second revolution" and the campaign to uphold the constitution. In the campaign to uphold the constitution, he relied on warlords in the south to fight the northern warlords. But "in the struggle for power, militarymen in the south and the north are birds of a feather." As a result, he came to grief in every respect and got nowhere. Chen Jiongming, who had been cultivated by him for many years and was believed to be a "revolutionary general" who could be "relied upon," took advantage of the northern warlords' impending capture of Jiangxi in June 1922 to stage an armed revolt in Guangzhou, offering a reward of 200,000 yuan for the capture of Dr Sun Yat-sen. "Trouble came from within." Chen Jiongming's revolt was a shattering experience for Dr Sun Yat-sen, throwing him into the depths of despair.

While Dr Sun Yat-sen was in despair, the Russian October Revolution occurred, followed by the birth of the Communist Party of China. The Communist International and the Communist Party of China offered a helping hand to Dr Sun Yat-sen, urging him to sum up experiences and lessons since the revolution of 1911. He embarked upon a new path.

From the shining light of the October Revolution, Dr Sun Yat-sen saw hope for China. In early 1918, he sent Lenin a cable of greetings expressing "a desire for unity between the two parties of China and Russia in a joint struggle." In December 1921, Dr Sun Yat-sen received in Guilin Maring, a representative of the Communist International. Maring proposed that: 1) there must be a good political party that unites people from all walks of life, the worker-peasant masses in particular; and 2) there must be an armed revolutionary core and schools must be set up for the training of officers. Dr Sun Yat-sen agreed. In August 1922, while Dr Sun Yat-sen was seeking shelter in Shanghai, the Communist Party of China issued the "first proposal of the CPC Central Committee on the current situation" and convened the second national congress in Shanghai. The Chinese Communists pointed out that China's problems were rooted in imperialism and feudal warlords and put forth the revolutionary slogans: "Down with imperialism" and "Down with warlords." They explicitly set forth the idea of forming a united front with Dr Sun Yat-sen. On many occasions Li Dazhao discussed with Dr Sun Yat-sen "various problems" concerning "the revitalization of the Kuomintang [KMT] to give new life to China," pointing out the correct direction for Dr Sun Yat-sen. In August the same year, Maring again came to China. Guided by the spirit of the directive of the Executive Committee of the Communist International on the establishment of a revolutionary united front by the KMT and the Communist Party relayed by Maring, the CPC Central Committee held a special meeting in Xihu, Hangzhou, and made a decision calling for a number of party members to join the KMT. After the meeting, Chen Duxiu, Li Dazhao and Maring visited Dr Sun Yat-sen and put forth the idea of cooperation between the KMT and the Communist Party. Dr Sun Yat-sen joyfully agreed. Not long afterward Li Dazhao, Chen Duxiu, Cai Hesen, Zhang Tailei, Zhang Guotao, and others successively joined the KMT.

In September and November 1922, Dr Sun Yat-sen successively held meetings in Shanghai to study plans for the reorganization of the KMT and to discuss how to improve party affairs. Chen Duxiu and other Communist Party members were invited and attended these meetings. They also sent representatives to participate in drafting the KMT's declaration on reorganization, its party program and its party constitution. In early 1923, with the help of Li Dazhao and Lin Boqu, Dr Sun Yat-sen received in Shanghai, Soviet representative Joffe, and held many talks with him. On 26 January, the well-known "Sun Yat-sen-Joffe declaration" was issued, expressing welcome for Soviet help in the Chinese revolution and confirming the policy of allying with the Soviet Union."

At the same time, encouraged by Dr Sun Yat-sen, the Guangdong army led by Deng Yanda cooperated with armies from Yunnan and Guangxi to drive out Chen Jiongming. In February, Dr Sun Yat-sen returned to Guangdong from Shanghai and was appointed generalissimo of the army, navy and air force. He reestablished the revolutionary regime in Guangzhou for the third time. In June, the CPC held its third congress in Guangzhou and solemnly declared that "Communist Party members should join the KMT" and formulated guiding principles and policy for establishing a revolutionary united front with the KMT. Dr Sun Yat-sen warmly welcomed the help rendered by the Communist International and the CPC and speeded up preparation work for reorganizing the KMT. In August, he appointed Chiang Kai-shek, Shen Dingyi, Zhang Tailei and Wang Dengyun to organize "Dr Sun Yat-sen's delegation" to carry out an inspection trip to the Soviet Union and invited the Soviet Union to send political and military advisers to China to help China's revolution. In September, as requested by Dr Sun Yat-sen, the Soviet Government appointed its representative to Guangzhou, Borodin, to specifically help the KMT to carry out its reorganizational work. In October, Borodin discussed with the CPC Central Committee in Guangzhou methods to reorganize the KMT. They decided to persuade Dr Sun Yat-sen to convene a meeting on the reorganization of the KMT. 24 October, Dr Sun Yat-sen appointed nine persons, including Liao Zhongkai, Tan Zhongkai, Tan Pingshan and others, as members of the Central Executive Committee and nine persons, including Li Dazhao, formed the Provisional Central Executive Committee of the KMT and were fully responsible for the work of reorganizing the KMT. On 25 October, Dr Sun Yat-sen entrusted Liao Zhongkai with responsibility for convening a special meeting on the reorganization of the KMT, and on examining and approving the reorganization plan. Borodin was invited to be political adviser to take charge of the work of reorganizing the KMT. Liao Zhongkai spared no efforts to resolutely help Dr Sun Yat-sen carry out the work of reorganizing the KMT.

From 20-30 January 1924, Dr Sun Yat-sen convened the First Congress of the KMT in Guangzhou, which was attended by 165 deputies. Li Dazhao, Borodin and others took part in the leadership work of the congress. When the congress discussed the KMT-CPC cooperation, the rightist faction of the KMT lodged a strong objection. Because of the resolute struggle carried out by the leftist faction of the KMT headed by Dr Sun Yat-sen, Liao Zhongkai and others, and Communist Party members, the congress reached an official decision on admitting members of the CPC and Socialist Youth League into the KMT according to their personal qualifications and on formulating the three great policies of allying with Russia and the Communists and assisting peasants and workers. The congress also adopted the "constitution of the Chinese KMT" and elected a Central Executive Committee. Among the 24 executive members and 17 alternate members were Liao Zhongkai of the leftist faction, and Hu Hanmin of the rightist faction. Communist Party members such as Li Dazhao, Tan Pingshan, Yu Shude, Mao Zedong, Lin Boqu, Qu Qiubai, Zhang Guotao, Yu Fangzhou and others were elected to the Central Executive Committee. In particular, the congress adopted the famous "Declaration of the First National Congress of the Chinese KMT." This was a very important historical document in which Dr Sun Yat-sen reinterpreted the three people's principles according to the three great policies.

Nationalism meant 1) "prevention of the invasion of imperialism" so that the Chinese nation could independently exist in the world; and 2) "various nationalities inside China are equal" and national oppression should be opposed. Democracy mainly meant equal democratic rights for all. People not only "have the right to vote, but also have the right of creation, referendum and dismissal of their officials." Livelihood meant 1) equalization of land ownership; and 2) regulation of capital. It stressed that "when peasants have been turned into tenant-peasants because of a lack of farmland, the state should provide them with land so that they can continue their farm work." It also opposed the practice of letting land ownership "be controlled by a handful of people." Later, Dr Sun Yat-sen put forth the principle of "land to the tiller," stipulated that big enterprises of a monopolistic nature should be "administered and managed by the state" and opposed using private capital to "control national economy and people's livelihood." The three people's principles were thus turned into new ones after the reinterpretation.

If we compare the new three people's principles with the old ones, we see that the former have been greatly developed upon. Nationalism has been developed from opposing the Qing Dynasty in general, to directly opposing imperialism. Democracy has been developed from the abstract "freedom, equality and universal love" and the founding of a bourgeois republic to equal democratic rights for all and the founding of the people's democratic republic. The content of livelihood has been developed from empty theory such as "equalization of land ownership" into "land to the tiller" and the regulation of capital. The new three people's principles which contain the basis for opposing imperialism and feudalism and are based on the three great policies are identical to the basic principles of the programs of the democratic revolution of the CPC. Therefore, the new three people's principles are the political basis for the KMT-CPC cooperation and the common programs of the revolutionary united front.

However, the new three people's principles are still intrinsically different from communism mainly in political program (there is no socialist program in the three people's principles) and worldview (the world view of the three people's principles is the so-called historical view of people's livelihood). It is actually dualism or idealism.

The success of the First National Congress of the KMT marked the formation of the revolutionary united front and the first KMT-CPC cooperation. After reorganization, the KMT was changed from a bourgeois political party into a revolutionary alliance of workers, peasants, petty bourgeoisie and national bourgeoisie.

Dr Sun Yat-sen earnestly hoped that our motherland would be lifted out of poverty, backwardness and protracted split as early as possible so that China could become a united and integrated nation. To "go along with world trends and satisfy people's needs," Dr Sun Yat-sen, with his revolutionary's boldness of vision, implemented the three great policies of allying with Russia and the Communists and assisting peasants and workers, turned the old three people's principles into new ones and promoted the first KMT-CPC cooperation to form an extensive anti-imperialist and antifeudal revolutionary united front to push forward the movements of workers and peasants throughout the country. After that, the vigorous great revolution reached high tide and this ensured the great victory of the northern expeditionary war.

PRC TO ADOPT INTERNATIONAL MEASUREMENT STANDARDS

HK100400 Beijing CHINA DAILY in English 10 Aug 82 p 2

[By CHINA DAILY reporter]

[Text] China will adopt international standards of measurement and quality in order to promote industrial and agricultural production, a national conference on standardization was told last week.

The conference brought more than 250 specialists to Beijing to discuss improvements in national standards, which govern production of everything from matchsticks to cargo ships.

China now has 3500 national standards, many of which need to be improved, an official of the China Standardization Association told CHINA DAILY. "The best way to do this is to adopt international standards," he said.

The State Bureau of Standardization has already translated most international standards into Chinese, and plans to adopt them at the rate of several hundred a year, he said.

China resumed efforts to standardize its products in 1978, after a ten-year hiatus.

New standards for structural steel used in shipbuilding have already enabled China to sell ocean-going ships to Hong Kong, West Germany and other countries. The quality of these ships has been acclaimed by the buyers, the official said.

New standards are also helping China to save energy. Revised standards for water quality, for example, have solved the problem of mineral deposits in low-pressure boilers, reducing their consumption of coal by 52 per cent.

At the conference's closing ceremony on Saturday, State Councilor Zhang Jinfu emphasized the importance of standardization. He urged local authorities to pay greater attention to the development and implementation of national standards.

Commentator on Standardization

HK100416 Beijing RENMIN RIBAO in Chinese 9 Aug p 2

[Commentator's article: "Strengthen Standardization Work"]

[Text] Standardization work is a comprehensive and basic work for the national economy. The first problem we encounter in reorganizing enterprises and improving economic returns is to strengthen standardization work. We must attach importance to this work, conscientiously carry it out, and strive to achieve results as soon as possible.

In the last few years, great successes in standardization work have been achieved throughout the country. Since the party's third plenary session, while concentrating on the readjustment of the national economy, we have stressed standardization work in consumer goods, energy economization, machine and electric products, foreign trade products and other fields, and have thus stepped up the formulation and revision of national standards. By the end of last year, the total number of national standards amounted to 3,500 or so, some of which conform with our national conditions and have attained the international level. The 100 national standards which have just won prizes at the current national meeting of exchanging experiences and commending advanced units in formulating and revising national standards are the outstanding examples. The formulation and implementation of these standards have played a positive role in improving product quality and production efficiency, expanding foreign trade and export, and enhancing economic returns.

It must be noted that our country's standardization work still remains in a relatively backward state. This situation is mainly displayed in two aspects. First, we have so far promulgated only a few national standards. At present, some developed industrialized countries have generally more than 10,000 national standards. We are relatively far behind them. Second, our standardization level is low. Most of our present national standards are equivalent to the international level in the 1950's and 1960's. Besides, we have been doing badly in assuming the uniformity of national standards and carrying out standardization work. Such a situation, which is very unfavorable to the improvement of the technical level and product quality, is not in line with the development of the national economy. Otherwise, our work will slow down and progress in the four modernization construction will be affected.

Standardization is an important means to organize modern production, an essential part of scientific management, and a technical link between scientific research, design, production, commodity circulation, utilization and other aspects. Strengthening standardization work will have important impact on the improvement of product quality, organization of specialized production, economization of raw materials, ensuring safety and sanitation, and so on. It costs little but can achieve instant results and reap tremendous returns.

Some comrades, including some leading comrades who are in charge of economic work and enterprise management, have an insufficient understanding on the importance of standardization and even think it dispensable. Such a viewpoint is really wrong and pernicious. Why do we always fail to improve the quality of some products? Why do these products always lack competitive power? The crux of the problem lies in the fact that our national standards are low. Without high national standards, there can never be high quality products. An enterprise must take a set of standards as its reference when carrying out technical reform, and as its basis when trying to enhance the management level. Standardization will set the direction and goals for the technical reform and equipment regeneration in an enterprise. And the improvement of technical equipment and management level will in turn enable the enterprise to produce better and cheaper products with greater competitive power. Therefore, strengthening standardization work is by no means a dispensable thing but a matter which has an important bearing on the comprehensive improvement of enterprises' economic returns, and can never be overlooked.

In order to establish, as soon as possible, a system of standards with a certain level and a certain size to meet the needs of the development of the national economy, we require the joint efforts of the economic departments, technical departments, research units and plants and enterprises throughout the country. All comrades who are engaged in economic and management work, especially those leading comrades, should regard standardization work as an important basic work for improving economic returns, and should conscientiously carry it out. If we can increase our country's national standards to 10,000 or so within the next 5-6 years, we will be able to basically meet the needs of the development of the national economy.

In order to strengthen standardization work in our country, we still have to take the initiative in adopting international standards and advanced standards from abroad. This is in essence a kind of technical import and also an important technical and economic policy of our country today. If we refuse to adopt international standards and advanced standards abroad in improving the quality of our country's products and expanding foreign trade and export, there will be no way out and our goal of catching up with and surpassing the international level will become an empty slogan. We must carry out conscientious studies, and actively but discriminately adopt the comprehensive results of scientific research in the world to shorten the process of probing, to speed up the formulation and revision of our country's standards, and to improve these standards. We are bound to attain the goal if only we can properly organize all scientific and technological forces in various fields, give full play to their initiative, solve those key technical problems one by one in a down-to-earth manner, and create the necessary conditions step by step.

RENMIN RIBAO ON COUNTEREFFECT OF CONSUMPTION

HK100934 Beijing RENMIN RIBAO in Chinese 26 Jul 82 p 5

[Article by Yue Ping [1471 1627]: "It Is Necessary To Pay Serious Attention to the Countereffect of Consumption on Production"]

[Text] Correctly understanding the relations between production and consumption and paying serious attention to the countereffect of consumption on production when bringing into full play the leading role of production, have important and realistic bearings on our economic construction, especially on solving some problems in our present economic work.

In the past few years, the main content of our national economic readjustment plan has been to readjust the proportion in relations between accumulation and consumption. In fact, the gist has been to solve the problem of production being divorced from consumption from the macroeconomic angle. Through readjustment, the production of consumer goods has been increasing by a large margin for successive years. In addition, the state has been doing its best in improving the people's livelihood. Now we have more commodities, the income of the people has increased, the market is thriving and remarkable results have been achieved in our readjustment work. However, we have not completely solved the problem of production being divorced from consumption.

This is due to improper planning, one-sidedly seeking profits by some departments and blindness in production. As a result, some commodities, particularly commodities with large profits, have become unmarketable and stockpiled. But products with small profits that are needed by the masses are produced in small quantities, and they are often in short supply and out of stock. To solve this problem, we must do our best in various aspects. Viewed from the angle of ideological understanding, we must thoroughly understand Marxist political economics with regard to the principle of dialectical relations between production and consumption, and pay serious attention to the countereffect of consumption on production.

Consumption is an important link in the course of social reproduction. No matter what the social character of the course of social reproduction, it will inevitably go in circles through the four links of production (direct production), allocation, exchange and consumption. Of the four links, production occupies the most important position, but consumption has a countereffect. It can, in return, affect production and prolong or promote the development of production. Consumption is the motive force, purpose and end result of production. Marx said: "Products are finally completed only in consumption. If a railroad is not open to traffic, is not used and is not consumed, it can only be a possible railroad, a real one." "Clothes can realistically be clothes due to the action of wearing; a house without people living in it cannot in fact be a real house." "Consumption creates new needs for production," "creates the motive force of production." "Without production, there can be no consumption, but without consumption, there cannot be production, because if there is, production will have no aim." ("Selected Works of Marx and Engels," vol 2, p 94) The theory that consumption can promote production was also explained in some works in ancient China. There was the following dialogue in the book "Guanzi" [4619 1311]: "It was asked: 'How does one make the times prosperous?' It was answered: 'There is nothing better than consumption.'" According to Comrade Guo Moro's explanation, the term "making the times prosperous" (xing shi hua 5281 2514 0553) is a mistake, and should be rendered "promoting wealth and prosperity" [xing cai huo 5281 6299 6303]. In modern Chinese, this dialogue means: "When we are rich with material wealth, what should we do?" "The best thing to do is consume as much as we can." Such an outstanding viewpoint prevailed in China 2,000 years ago. At present, that viewpoint still inspires us.

Production is for consumption. This is the common aim of social production. The difference is that in the exploiting society, such an aim is not directly realized. For instance, in the capitalist society, the direct aim of production is to gain profits. But capitalists will not depart from social consumption when seeking profits. The aim of socialist production is to meet the increasing material and cultural needs of all members of society. That is to say, it is to meet the people's consumption. Of course, socialist enterprises must fulfill the plans for making profits, but they must not only seek profits. They must assume overall responsibility for the state and the people. This is one of the fundamental differences between socialist and capitalist enterprises. If we do not take consumers' needs into account, but instead blindly carry out production, then the situation will emerge in which we have "good news on the industrial front, bad news on the commercial front, stockpiling of goods and false revenue." As a result, our products will not be real products, our wealth will be wasted and it will be difficult to smoothly carry out social reproduction. Therefore, thoroughly understanding the dialectical relations between production and consumption and paying serious attention to the countereffect of consumption on production are in essence further defining the aim of socialist production and persisting in carrying out production and doing business for the people's consumption.

At attaching great importance to the countereffect of consumption on production, we must pay close attention to market changes and be aware of the needs of the consumers. This is very important whether in macroeconomics or in microeconomics. The phenomenon of production being divorced from consumption is mostly caused by improper planning. Such improper planning is generally caused by a lack of accurate economic information and by a lack of knowledge of market changes and the needs of consumers.

Therefore, having a good grasp of the means of information and building and consummating the system of transmitting and analyzing information and of economic prediction are beneficial to working out correct plans and solving the problem of production being divorced from consumption. Due to the longstanding shortage of commodities, consumers have to ask acquaintances or "get in by the back door" when they want to buy something. As a result, the idea that "the daughter of a queen does not have to worry about being unable to get married" has emerged in some factories and stores. In other words, the market is the sellers' market and initiative for exchanging commodities is in the hands of the sellers, who usually say: "We only have this. Take it or leave it." Now there are plenty of commodities, and the situation has changed. The masses have a greater choice of commodities, and the sellers' market is beginning to change into a buyers' market. Therefore, producers, leaders and controllers should pay attention to the market and to the consumption of their products. According to market changes and the needs of the consumers, they should raise the quality of products, increase the variety of products and improve the designs and styles. This is the countereffect of consumption on production. Some comrades are of the opinion that now it is difficult to be a factory head and to do business. They say: "Even if he is sleeping, a factory head has to keep one of his eyes open to watch the market situation." Comrades who have become factory heads or managers now understand the importance of market information. This is an important development in the idea of management.

When paying serious attention to the countereffect of consumption on production, we must also dredge the circulation channel so as to circulate commodities. What is particularly important is that we must bring into full play the consumption potentials of the countryside, which is a large market. Since the third plenary session of the party, and following the development of production, the peasants and communes and production brigades have been earning more and more money. According to estimates by the departments concerned, at present, the money circulated in the countryside is about 2 million and several hundred thousand yuan, a more than 100 percent increase over 1978. The volume of money circulated in the countryside accounts for more than 60 percent of the volume of money circulated throughout the country. Together with the savings of the peasants, the purchasing power in the countryside is quite considerable. But in many places, industrial products are not available even if the peasants have the money to buy. Furthermore, it is difficult to transport industrial products to the countryside. As a result, both ends suffer. This shows that people have not paid enough attention to the potential in the countryside, which is a large market for industrial products. Recently, the State Council made a decision to change the system of circulating industrial products according to the work divided between the cities and the countryside into a new system based on the division of commodities and connecting the cities with the countryside. The large market, consisting of China's 800 million peasants, has long attracted the attention of foreign capitalists. It is all the more necessary for us to pay close attention to this market.

Consumer goods are sold mainly to the inhabitants of cities and in the countryside. In paying serious attention to the countereffect of consumption on production, we must correctly handle the problems of how to understand the inhabitants' individual consumption.

First, the problem of deposit. The state has two main channels for circulating currency. One is selling commodities (which includes providing services) and the other is absorbing deposits. In the past few years, deposits and savings have increased by a large margin. According to statistics, by the end of 1981, the people in cities and the countryside had savings of 52.4 billion yuan, an increase of 150 percent over 1978. The greater part of the masses' purchasing power not realized was deposited in banks or in credit cooperatives. The large increase in savings reflects the increase in the people's income. It also reflects the people's concern and support for the construction cause of our country and their faith in the future of our economic development. It is completely correct for us to encourage the masses to deposit in banks or credit cooperatives the money which is not used for the time being. This is also beneficial to helping the masses arrange their family living expenses in a planned way.

But it will produce a side effect, if deposits are overemphasized, because in doing so, the masses' consumption will be restricted and they will give up the idea of buying what they should buy. Absorbing deposits, withdrawing currency from circulation and then giving loans to industrial and commercial enterprises are beneficial to promoting social reproduction. But it is not, after all, so effective as withdrawing currency from circulation by selling commodities, because in this way the value of commodities can be directly realized to promote social reproduction in a more favorable manner. Furthermore, a deposit itself has the characteristic of internal debt. From an immediate point of view, to deposit in banks the part of purchasing power that has not been realized by the inhabitants is beneficial to balancing revenue and expenditure and to stabilizing the market. But from a long-term point of view, there is a latent danger, namely, when there are setbacks in economic development, depositors will possibly draw a large amount of money from banks and hurry to the market to buy things. Therefore, when encouraging the inhabitants to deposit their money in banks, we must do our best in withdrawing currency from circulation by expanding the marketing of commodities.

Second, the problem of hard struggle. Our party and people have the glorious tradition of hard struggle. Our party and people have the glorious tradition of hard struggle. Whenever there are temporary difficulties in our economic development, the people will, at the call of the party and government, economize on food and clothing to support the country. This spirit is quite commendable. Our country is poor, and it has a weak foundation to start with. It is particularly important to develop the spirit of hard struggle. By proposing to pay serious attention to the countereffect of consumption, it does not in the least mean that we must throw away the spirit of hard struggle. The purpose of bringing such a spirit into plan is to bravely overcome difficulties, unyieldingly carry out our work and fulfill various tasks; in addition, we must stop various kinds of losses and waste, put an end to the ostentatious and extravagant style and strictly control the increase in the purchasing power of social groups. We must step up our efforts in this respect. With regard to the people's livelihood, on the one hand, we must continue to advocate the idea of industriously running one's home; on the other hand, we must ascertain that it is normal for the people to improve their livelihood and appropriately raise the standards of consumption through their own labor or by means of their legal income. Fundamentally speaking, the purpose of advocating the spirit of hard struggle is to enable our people to have better food to eat, better clothes to wear, a greater variety of things to use and more spacious rooms to live in on the basis of the development of production.

In the past 3 years, the speedy increase of the income of the staff and workers and the peasants has greatly exceeded the speedy increase of the national income and of industrial and agricultural production. At present, the general situation in our internal market is still that there are not enough consumer goods and that the increase in social purchasing power exceeds the increase in the sources of commodities. Therefore, paying serious attention to the countereffect of consumption on production does not mean putting more money into circulation, nor expanding consumer funds to stimulate the consumption of the masses. We start from the point of enabling our products to be marketable and of enlarging the scope of sale to increase the circulation of currency and to promote the development of production. If you issue rewards blindly and raise the purchase prices of agricultural products at will as soon as you hear that serious attention must be paid to the countereffect of consumption, there is a mistake in your understanding. We must explain this problem clearly.

RENMIN RIBAO DISCUSSES FINANCIAL PROBLEMS

HK091349 Beijing RENMIN RIBAO in Chinese 3 Aug 82 p 5

[Article by Jiang Yangguang[5592 2503 0342]: "Uphold the System of Planned Economy, Raise the Scientific Level of Planned Management -- Reading 'China's Financial Problems'"]

[Text] The book "China's Financial Problems" published by the Tianjin Science and Technology Publishing House carried 43 articles written by Chen Rulong, Xu Yi and other comrades.

These articles probed widely into some major theoretical and actual problems in financial and economic work by proceeding from the spirit of the 3d Plenary Session of the 11th CPC Central Committee and the eight-character policy for readjusting the national economy. The content of this book is very rich and one of its main ideas is to uphold the system of planned economy, follow socialist economic law, correctly understand and display the role of finance in social reproduction and raise the scientific level of planned management

Ours is a socialist country and therefore it cannot but implement the system of planned economy and this orientation must be followed unswervingly. The question is how to carry out planned management so as to fully display the advantages of the socialist system. The path we have traversed over the past three decades and more since the founding of New China showed that with regard to the planned management of the national economy, we did quite well in some years, less well in others, and we made serious mistakes in other years. Experiences in practice showed that whether or not the function of finance can be displayed well is closely related to persistence in the system of the planned economy and the improvement of the scientific level of planned management. When we are able to follow objective economic law and pay more attention to and correctly make use of the function of finance, our planned management will become more scientific and the national economy will be able to develop proportionately, smoothly and in a planned way. But when the role of the function of finance is distorted, planned management will run counter to the demand of objective economic law, the national economy will be out of balance and the development of the economy will suffer setbacks to varying extents.

In improving the scientific level of planned management it is imperative to correctly understand and correctly display the role of finance because finance has the function of distributing, regulating and supervising, and because finance is an important lever for the state in managing the national economy in a planned way. In managing the national economy in a planned way, it is necessary to scientifically handle the dialectical relations between production and distribution and between the production structure and the distribution structure, to plan production scientifically and to plan the distribution of the means of production, labor force and consumer goods. In order to handle these relations well, we must correctly use this financial economic lever. It is true that financial distribution cannot include the distribution of the whole social product, and yet it is in a leading position in the distribution of the gross social product. In our country, such matters as withdrawals of enterprise depreciation funds, allocation of wages and awards and distribution of net earnings are all affected by state finance while the expansion of social reproduction, the construction of new enterprises and the transformation of the old enterprises depend on the situation of state finance. To correctly display the distribution function of finance is in the interest of correctly handling the relationship between simple reproduction and the expansion of reproduction, the relationship between accumulation and consumption and the relationship between agriculture, light industry and heavy industry as well as in the interest of realizing a comprehensive balance of the national economy.

Following the basic completion of the socialist transformation of the means of production, the regulating function of finance mainly includes regulating the incomes of the state-owned enterprises so as to correctly handle the relations between the state, enterprises and their staff; regulating the incomes of the collective economy so as to correctly handle the relations between the state, the collective and the peasants; regulating local revenues so as to correctly handle the relationship between the central government and local governments, between coastal areas and inland areas and between the Han nationality regions and minority nationality regions and consequently to mobilize the initiative of various aspects. Scientific planned management demands that the state collective planned guidance must be correctly combined with the initiative of localities, enterprises and staff (peasants). The function of financial regulation represents an important measure for realizing such a combination.

The supervisory function of finance mainly refers to effective management and supervision over the business and achievements of enterprises through financial handing-over and allocating activities (including tax revenues) between the state and enterprises; overall calculation and supervision of the reproduction of fixed assets through financial control over the investment channels for fixed assets and the amount of capital, and calculation and supervision over the scale of development, race and proportions of the national economy through the distribution of social products and national revenue so that the growth of accumulation and consumption will be in accordance with state capability. In fact, the supervisory function of finance means to resort to the role of financial feedback to check whether the planning is scientific and to correct shortcomings in the planning so as to guarantee that it will be implemented correctly.

How can we correctly display the role of finance and improve the scientific level of planned management? "China's Financial Problems" summed up the experiences in this respect and the following points merit our attention.

First, correctly handle the relationship between economy and finance and between economic planning and financial planning. Generally speaking, we must first of all give considerations to economic planning and particularly to the planning for the development of industrial and agricultural production and then accordingly we must work out and follow feasible planning, take various active measures and open up more financial resources so as to guarantee the funds that are required by various aspects. At the same time, we must resort to financial planning to calculate from the viewpoint of distribution and redistribution whether the economic planning is active and reliable and to resort to the situation of the implementation of financial planning to check the situation in the implementation of economic planning. In order to increase financial revenues we must mainly rely on developing production; but in making use of economic levers, we must consider their effect on the balance of financial revenues and expenditures. In working out the planning for financial revenues and expenditures, we must proceed from the situation of our strength, pay attention to keeping a balance between the scale of construction and supply of goods and materials and keep a certain amount in reserve for unexpected needs. We cannot just consider the needs in construction and disregard financial feasibility and put forth excessive planning for fund allocation and investments.

Second, persist in keeping a balance between financial revenue and expenditure, between credit revenue and expenditure and between the supply of goods and materials and foreign exchange and also persist in keeping a balance between all these aspects. The key to financial balance is mutual balance between finance, credit, goods and materials and foreign exchange. The balance between financial revenue and expenditures is the basis for the balance between credit revenue and expenditure. When financial revenue and expenditure and credit revenue and expenditure are balanced, the relationship between social purchasing power and the supply of goods and materials will also basically balance. We must persist in keeping financial revenue and expenditure balanced and having a little surplus; we must in no way work out budget planning with a deficit. A budget deficit means excessive distribution of financial budgetary revenue. When there is a deficit in the financial budget, simple and expanded reproduction will be affected, capital construction will not be able to form productive forces, inflation will occur, the market situation will become tight and prices will be unstable and this will affect the stability of people's lives. We must persist in unifying the balance between finance and credit and rational arrangements must be made with regard to the working capital that is needed in expanding production and circulation and for investing in capital construction. It is harmful to the rational control of the scale of capital construction to blindly expand bank loans and increase the investment in capital construction without any limit.

Third, do a good job in transforming the system of financial management. The previous financial system is characterized by unified revenue and expenditure and this situation is not in the interests of fully displaying the initiative of localities and enterprises and improving economic effects and therefore it must be transformed.

The key question in transforming the financial management system is to correctly handle the relationship between planning and initiative and between centralization and decentralization. While it is imperative to persist in state planned guidance over the whole national economy, it is also necessary to display the initiative of localities and enterprises. The key point in this aspect is to acknowledge the necessary materialistic interest of localities and enterprises and to enable the state to control the necessary financial and material resources as a material basis for realizing and controlling macroscopic planned guidance. The actions taken in the past few years to expand the autonomy of enterprises has played a good role and it must be fully affirmed. But when funds are comparatively dispersed, the funds that are centralized in the hands of the state are relatively few. The expansion of the autonomy of enterprises cannot be interpreted as a mere expansion of financial rights. With regard to the distribution of the incomes of enterprises and the proportions for the state and enterprises, it is necessary to study and define a rational limit and to correctly combine responsibility, rights and interests. At the same time, it is also necessary to transform the tax system so as to properly solve the contradiction of uneven gains and losses that are caused by various irrational factors such as value and improve state financial power through rationally regulating incomes by means of taxes. The transformation of the financial system cannot be carried out independently; efforts must be made to carry out the transformation of various systems along with the transformation of the financial system and various economic levers must be properly used so as to display even better the achievements of transformation.

Fourth, step up comprehensive financial planning. Theoretically speaking, socialist finance is comprehensive finance. The theory of comprehensive finance should include the theory of a unified balance between finance, credit, goods and materials and foreign exchange that accords with the scale of construction, the theory of a mutual relationship between the distribution structure and the economic structure and the theory of correctly handling the economic interests between the state, localities, enterprises and laborers. The core of comprehensive financial planning is planning for the revenue and expenditure of the state budget; but comprehensive financial planning must also include planning for credit revenue and expenditure, planning for enterprise special funds, planning for the extra-budgetary funds and planning for special item loans and borrowing of foreign capital. As there are many channels for funds and an enormous amount of funds outside the budget, there have consequently occurred serious wastes in economic sectors. Thus it is, from the point of policy and quantity, imperative to readjust and link things up through comprehensive financial planning. Only in this way, we will be able to display the initiative of various sectors and guarantee that the whole national economy will be able to develop proportionately and in a planned way.

RURAL, URBAN TRADE, GOODS REPORTED PROSPERING

OW100845 Beijing XINHUA Domestic Service in Chinese 0035 GMT 10 Aug 82

[Excerpts] Beijing, 10 Aug (XINHUA) -- Since the 3d plenary session of the 11th party Central Committee, urban and rural markets in our country have flourished and grown in abundance and variety. The long shortage of commodities has changed. The situation has rarely been better since the founding of the People's Republic.

With growing industrial and agricultural production and the improvement of the people's living standards, retail sales volume has increased year after year. The total value of retail sales was 235 billion yuan in 1981, an increase of more than 80 billion yuan over 1978. Most of the commodities that have been in short supply for a long time are now being supplied without limit. Most food and clothing items and necessities are plentiful. As people become more choosy, some outdated, poor quality and high priced goods are not selling well and get piled up in warehouses. In the supply of nonstaple food items, there is a greater abundance of pork, mutton, poultry, fresh eggs, vegetables, fruits, sweets, snacks, alcoholic beverages, nonalcoholic beverages and so forth in the large and medium-sized cities.

In the past few years, great changes have taken place in rural markets. With the implementation of various production responsibility systems, agricultural and sideline production has developed rapidly. Peasants' income has increased. Peasants' purchasing power in 1981 was 63 percent higher than in 1978, a much greater increase than in the cities. Sales of bicycles, sewing machines and wristwatches in rural areas have increased year after year. The number of bicycles sold in 1981 showed an increase of more than 4.7 million units over the figure in 1978. Woolen fabrics, dresses, leather shoes and household electrical appliances such as fans, television sets, combination radio-cassette recorders, which were rarely sold in rural areas, are now in great demand.

Country fair trade, which was banned during the 10-year turmoil, has vigorously developed since the 3d plenary session of the 11th party Central Committee. There are now nearly 40,000 rural fairs and more than 3,000 farm and sideline product markets in the country's cities. The volume of business in urban and rural fairs has increased each year, at an annual rate of 5 billion yuan in the last 3 years and totaling 28.7 billion yuan in 1981, which was 57 percent higher than in 1979 and equivalent to 9.4 percent of the total value of retail sales in 1981. The volume of business of farm and sideline products markets in the cities reached 3.4 billion yuan in 1981, more than double that in 1979. Vegetables, pork, beef, mutton, fresh eggs, poultry, aquatic products, grain and vegetable oil sold at these markets accounted for 6 percent of the total retail sales by state-owned commerce. The farm and sideline product markets in the cities provided an average of 38 yuan worth of goods for each urban worker and staff member in 1981, adding to the abundance of city life.

RENMIN RIBAO DISCUSSES JOINT VENTURE LAW

HK100659 Beijing RENMIN RIBAO in Chinese 6 Aug 82 p 5

[Article by Chu Baotai [0443 0202 3141] and Dong Weiyuan [5516 5633 0954]: "Chinese-Foreign Joint Ventures Are Enterprises Conducive to Socialism -- On PRC Chinese-Foreign Joint Venture Law"]

[Text] The Second Plenary Session of the Fifth NPC in 1979 adopted the "Chinese-foreign joint venture law." By the end of 1981, the enterprises jointly run by China and foreign companies totalled more than 400. Among them, 39 enterprises are joint ventures in the form of joint stock companies, and another 360 enterprises are run on the basis of cooperation contracts. The total investment in these enterprises amounts to \$2 billion. In addition, there are also some Chinese-foreign cooperation projects in offshore petroleum exploration and exploitation. The initial implementation of the joint venture law has promoted the development of our economy. Up to now, however, some people still have a negative attitude towards the running of joint ventures in accordance with this law and regard this as unfavorable to socialism. In our opinion, this idea is not correct.

We believe that the social nature of a law is first determined by the people who make this law. Here, the legislators or the people who make laws mainly refers to the ruling class of a country, because all laws are made by a state legislature. The Chinese-foreign joint venture law was drawn up in New China where the people are the masters. The legislature is the National People's Congress, democratically elected by the whole people. This law is executed by the state power organs of the people's democratic dictatorship. Therefore, viewed from the process of formation and implementation, this law must be socialist in nature.

Some people ask, since it is a law of a socialist nature, why are foreigners invited in to run enterprises? As we see it, in judging the nature of a law, it is not enough to merely look at the object, scope and contents of this law, it is also necessary to look at whatever it is designed to safeguard and what its ultimate objective is. That is to say, it is not proper if we only look at whether this law has invited foreigners in and whether foreigners are allowed to handle business in China and thus gain some benefits; it is more important to look at whose laws foreigners have to abide by when they come to China and whether joint ventures are conducive to China's socialist economic construction.

Second, the nature of this law can be judged from the main parts involved in it and their respective positions in implementing this law. The joint venture law involves three main parts: 1) foreign partners; 2) Chinese partners; 3) the Chinese state organ in charge of examining and approving these joint ventures. Who among these three main parts holds the leading position when the joint venture law is implemented? In other words, when a Chinese-foreign joint venture is set up, in whose hands is the final decisionmaking power? Viewed from the investment, the decision seems to be made by both of the investing sides; while viewed from whether a joint venture can be set up, we find that the approving organ holds the leading position among the three main parts. The state only allows foreign investors to make their choice within a specified sphere, and it has the right to examine agreements, contracts and regulations of every proposed joint venture and strictly strike out the terms which will harm our state interests. Foreign partners have the right to decide whether they should invest; but the decisionmaking power for setting up a joint venture is held neither by foreign partners nor by Chinese partners but by the department concerned of the Chinese Government.

Third, the nature of this law can be judged from the results of its implementation. The joint ventures in operation have brought benefits to China's national economy. 1) New products have been introduced and gaps have thus been filled. For example, the Jianqiao Enterprise Co Ltd in Fuzhou city has produced heat-contracting polypropylene film which is a kind of new packing material. Previously, we could get this material only by importing it. The packing company of the Ministry of Foreign Trade alone imported several hundred tons a year. In the first year after it was set up, this joint venture turned out a product completely reaching the quality standards on the world market (including transparency, the vertical and horizontal tensile strength, contraction rate and evenness). When this product was sold in Hong Kong, users commented that its quality was higher than the same product made in Taiwan Province. 2) Modern technology has been introduced. The joint ventures have brought in some modern technology which foreign countries refuse to sell to us. In joint ventures, Chinese technicians and ordinary workers can learn new technology and operation skills. 3) Joint ventures can help solve the employment problem and invigorate China's traditional industries. Rattan weaving in Zhejiang Province has a history of several hundred years. People engaged in this trade once amounted to tens of thousands. In recent years, due to the problems of material and funds, this trade was forced to decline and many craftsmen could not but change their trade. Since joint ventures were founded in this trade in 1980, the problems of material and funds have been solved, many old craftsmen have returned to this trade, the declining rattan weaving trade has been reinvigorated. 4) Joint ventures can help state-owned enterprises to open international markets. The Sino-French Grape Winemaking Co Ltd jointly run by the vineyard brewery of Tianjin agricultural and forestry bureau together with French Remy-Martin Group has introduced advanced brewing technology and succeeded in making "Shenzhou Brand" white wine, which gained favorable comments at the Bordeaux world wine fair in 1981. Ninety percent of this product is now exported.

POWER INDUSTRY GROWS WITH ECONOMIC READJUSTMENT

OW110452 Beijing Domestic Service in Mandarin 1200 GMT 7 Aug 82

[Excerpts] Since the 3d plenary session of the 11th party Central Committee, power industry workers and staff members have conscientiously implemented the principle of readjusting the national economy. During the period of national economic readjustment, the power industry has still maintained a certain growth tendency.

In the past 3 years, more than 18,000 kilometers of high-tension transmission lines of 1.1 million kilovolts or higher and transformers with a total capacity of more than 20 million kilovoltamperes have been installed. New generating units with a total capacity of more than 8 million kilowatts at 59 large and medium-sized hydroelectric and thermal power stations, including the Gezhouba and (Yaomeng) power stations, were put into operation. In addition, by removing regional restrictions in the use of existing equipment, 4 million kilowatts of generating capacity have been restored.

MINISTER DISCUSSES HYDROELECTRIC POWER NEEDS

HK100232 Beijing CHINA DAILY in English 10 Aug 82 p 1

[Text] China must devote major efforts to developing hydro-electric power in the next two decades to meet the needs of the nation's modernization programme, said Qian Zhengying, minister of water conservation and power.

In a recent interview with the Shanghai-based WORLD ECONOMIC HERALD [SHIJIE JINGJI DAOBAO], Qian said China could not depend on oil or coal to speed up the development of its power industry.

At present, thermal power production amounts to about 80 percent of the country's total generated energy, at the expense of more than 20 percent of the country's total coal output each year.

The minister pointed out that more than half of the country's annual increase of coal output would have to be used by the power industry, if China was to maintain its yearly increase of power production at the planned level of 20 billion kilowatt-hours in following years.

Qian said that was impossible.

So, she stressed, China had to speed up the development of hydroelectric power as well as an appropriate proportion of nuclear power in order to enhance its power production.

According to government statistics, the exploitable hydroelectric resources in China amount to 378 million kilowatts, but now only about 5.6 percent of them are being exploited.

However, the minister said, an overall plan on a nation-wide exploitation of hydro-electric resources is now under intensive study.

WAN LI, YAO YILIN ATTEND BEIJING COLLEGE GAMES

OW101852 Beijing XINHUA in English 1838 GMT 10 Aug 82

[Text] Beijing, August 10 (XINHUA) -- The Chinese national college students games, first in the People's Republic, opened here this evening at the Beijing Capital Stadium.

Participating in the games are 2,255 athletes, representing 1,200,000 students from about 700 universities and colleges throughout China. Two African students studying in China will also take part in the games. The competition will start tomorrow and end August 19.

In his opening speech, Education Minister He Dongchang said: "The sports meet is to review and develop sports in universities and colleges. The participants will learn from each other and exchange experience through the competition."

Wan Li and Yao Yilin, vice-premiers, and Xi Zhongxun and Hu Qiaomu, members of the Secretariat of the Central Committee of the Chinese Communist Party, were among those present. The competitive events include track and field, rhythmic gymnastics, and table tennis. The participants will be divided into three groups for competition. The first group will have students from sports colleges, the second group students from sports departments of universities, and the third group students from ordinary universities. All of the participants were selected in earlier trials in local or university games. Some are provincial or university record holders.

China holds university track and field competitions at the local level almost every year and national students basketball, volleyball and football meets were held in the past three years.

The national students games are scheduled to be held every four years from this year. Records from the current games will be listed as national students games records.

The games are sponsored by the Education Ministry, the State Physical Culture and Sports Commission, the Central Committee of the Chinese Youth League, the All-China Students Federation and the Chinese Students Sports Association.

KANG KEQING CHAIRS WOMEN'S FEDERATION MEETING

OW102201 Beijing XINHUA Domestic Service in Chinese 1603 GMT 10 Aug 82

[Excerpts] Beijing, 10 Aug (XINHUA) -- The old, middle-aged and young cadres of the All-China Women's Federation happily discussed the "Letter of Greeting to Comrade Cai Chang" from the 7th Plenary Session of the 11th CPC Central Committee when they were studying the communique of the 7th plenary session. They pledged to learn from Comrade Cai Chang's revolutionary spirit and noble quality, follow the example of the proletarian revolutionaries of the older generation and work hard for the communist cause.

After the 7th Plenary Session of the 11th CPC Central Committee published its communique, the All-China Women's Federation held a discussion meeting. Comrade Kang Keqing presided over the meeting.

Kang Keqing, chairman of the All-China Women's Federation, said in her summing-up speech: Since she was young, Elder Sister Cai has always been concerned about women's and children's work. She has made outstanding contributions to the women's liberation movement. We should learn from Elder Sister Cai's noble quality in resolutely subordinating herself to the demands of the party. After her return from the Soviet Union, our party assigned her to a revolutionary base area. She took off her leather boots and worked in the paddyfields. She did whatever the party told her to do. We cadres of the women's federations at all levels and all women should take action to emulate the revolutionary spirit displayed by the revolutionaries of the older generation in order to express our support for the communique of the 7th Plenary Session of the 11th CPC Central Committee and greet the convocation of the 12th CPC National Congress.

NAVY PLANS TO HOLD MEETING OF ADVANCED PERSONS

OW102154 Beijing XINHUA Domestic Service in Chinese 1214 GMT 10 Aug 82

[Report by XINHUA reporter Huang Caihong]

[Excerpts] Beijing, 10 Aug (XINHUA) -- Some 43,000 advanced elements in establishing socialist spiritual civilization have emerged in the People's Navy. They have brought about delightful changes in the navy's revolutionization, modernization and regularization. At present, the navy leading organ is preparing to hold a meeting of representatives of advanced collectives and advanced individuals in establishing socialist spiritual civilization in order to commend the advanced and sum up and exchange experience. It is determined to make new achievements in spiritual civilization to greet the victorious convocation of the 12th CPC National Congress.

The advanced elements in establishing spiritual civilization selected by various naval units are those who, in the course of performing their routine duties, pay attention to the establishment of both spiritual civilization and material civilization and consciously "take the lead in five aspects."

1. They take the lead in fostering communist ideals and turn their firm faith in communism into action to love islands, ships and the ocean.
2. They take the lead in doing good deeds and adopting new habits.

3. They take the lead in resisting corruption. Many comrades among them joined their comrades in arms in helping local authorities wage antismuggling struggle at sea. They have ferreted out smuggled goods worth more than 25 million yuan.

4. They take the lead in doing ideological and political work and publicizing the party's line, principles and policies.

They take the lead in studying modern military scientific knowledge and technology. Some of them have solved more than 300 difficult scientific questions on guided missile destroyers. Some of them made achievements of advanced world level in submarine medicine [qian shui yi xue 3385 3055 6829 1331]. Others have initiated a dozen or so reforms concerning ship's ocean cruise training. Of the achievements in innovation they made in close cooperation with production and scientific research personnel, over 200 won national PLA prizes for scientific and technological achievements. Their diligent hard work has enabled the navy to take on a new look in its modernization program.

INTERNATIONAL COMMUNIST MOVEMENT SYMPOSIUM ENDS

OW090846 Beijing XINHUA Domestic Service in Chinese 1227 GMT 8 Aug 82

[Text] Beijing, 8 Aug (XINHUA) -- The symposium on the history of the international communist movement in China concluded in Beijing 8 August. The symposium was held in preparation for the centenary of the death of Marx in 1983.

The week-long symposium received 115 academic theses. One hundred and sixty seven teachers and researchers on the history of the international communist movement from various parts of China engaged in academic exchanges at the symposium. They discussed the role of Marx in the activities of the First Communist International and studied contemporary communism and the current development of the international communist movement.

The symposium also discussed the tasks of the [International Communist Movement Historical Society for the next 10 years. The symposium decided to mobilize the researchers on the history of communist movements throughout the country to jointly compile a multivolume history on the international communist movement. It is hoped that the compilation of this book will give impetus to related researches, writings and academic exchanges.

INTEREST IN AGRICULTURAL SCIENCE REPORTED

OW110112 Beijing XINHUA Domestic Service in Chinese 0201 GMT 9 Aug 82

[XINHUA reporter's commentary: "There Is 'Intense Popular Interest in Science' in Our Countryside"]

[Excerpts] Beijing, 9 Aug (XINHUA) -- Since the 3d Plenary Session of the 11th CPC Central Committee, agricultural science and technology have been rapidly popularized throughout our countryside. As a result, an unprecedentedly good situation has occurred. A large number of agricultural, scientific and technological achievements are used in production, and peasants are combining their traditional experience in production with modern science and technology.

In encouraging "intense popular interest in science" in the countryside, scientific and technological departments, as well as scientists and technicians, are vigorously supporting peasants in their march towards science and technology. Earlier this year, the China Association for Science and Technology convened a special national conference on the dissemination of scientific and technical knowledge in the countryside. The conference decided that, for some years to come, the association would disseminate agricultural scientific and technical knowledge as its central task in order to impart to peasants the scientific knowledge and technical skills they urgently need. Associations for science and technology in various provinces, municipalities and autonomous regions have also made arrangements for the dissemination of scientific and technical knowledge in rural areas.

Many national learned societies, associations and institutions as well as their local chapters, research institutes and institutions of higher learning have organized scientists, professors and science teachers to conduct surveys of natural resources; to provide a scientific and technical counseling service for communes, production brigades and teams on planning and arrangements for crops and production; to give lectures on techniques or run study or training classes to train key technicians from among the peasants; or to go to production sites to solve difficult technical problems, pass on their scientific and technical knowledge or popularize achievements in scientific research.

Scientific and technical information departments in our country used to lay particular emphasis on serving cities. Adapting themselves to the situation in the countryside, they are now providing services for the development of the rural economy. Giving timely help to the countryside, these departments are providing peasants with the latest, advanced and applicable scientific and technical information. As a result, many achievements in scientific research have yielded positive results in grain production and the development of a diversified economy.

Thousands of commune associations for the dissemination of scientific and technical knowledge have now been set up in the countryside. There are more than 1,000 such associations in Sichuan Province alone.

The technical responsibility system in production and the technical contract system are new forms for popularizing scientific and technical achievements in agriculture. These systems are now being gradually instituted in more than 20 provinces, municipalities and autonomous regions.

The dissemination of scientific and technical knowledge is now in full swing in our countryside. This reporter has learned from the department concerned: Our country will build, step by step, a system of popularizing agricultural science, education and technology suited to our country's conditions, in order to make use of more scientific and technological achievements in agriculture, to promote agricultural development and rural construction and to raise peasants' scientific and technical level. A new period in which we rely on modern science and technology for agricultural production and rural construction is in the offing.

PAPER FURTHER CRITICIZES SEXUAL LIBERATION

HK100557 Beijing GONGREN RIBAO in Chinese 4 Aug 82 p 3

[Article by Li Jing [4529 0079] "Do Not Take the Decadent as Magical"]

[Text] Lu Yao maintained: "Sexual liberation" is an inexorable trend in historical development. Western countries are more progressive than us in this respect. Sooner or later, we will also take this road." He took backwardness for advanced and the decadent for magical. That was really ignorant and ridiculous!

In some Western countries, an ideological trend of "sexual liberation" which is cynical and unconventional does prevail. In the United States, some people propose "open marriage" and advocate sexual freedom which is unrestrained by morality. Some people with breadth of vision really hate this idea. An American professor said: "In the United States and the whole Western world, people's unrestrained and free sexual behavior is like that of cats and dogs." An American sociologist pointed out: The United States has become a "disposable" society. People dispose of their cars and TV sets once they get fed up with them. A man or woman will dispose of their spouse when they cannot meet their needs. In such a society, some husbands and wives are like strangers. They do not cherish any affection for each other. Such a decadent and declining mood of the society has brought severe social evils to Western society. The divorce rate has risen rapidly and the number of illegitimate children is on the increase. Every year more than 1 million children in the United States are emotionally hurt because of the collapse of their families resulting from the divorce of their parents. Some people in the West who have suffered from the evil results of "sexual liberation" envy us the stable, warm and sweet family life in our country. Some people of insight condemn "sexual liberation."

A Western scholar incisively pointed out: "Some people call 'sexual liberation' love. Actually, it is only sexual passion which shows that they are barren and exhausted spiritually. Such sexual passion which can only satisfy the needs of their sensory organs will make them live an even more spiritually empty life." Therefore it is not at all exaggerating to say that "sexual liberation" consists of the retrogression of history, irrational brutality and is a stupid ideological trend. When we review the history of the civilization of mankind, we realize that with the continuous progress of society, the future trend of the relations between the sexes will be the true monogamy which manifests the equality between men and women and will not be affected by other social factors. The so-called "sexual liberation" -- corrosive in human society -- will eventually be thrown into the rubbish heap of history.

"Soldiers have their own love: unswervingly loyal and beautiful. They are sick of and fed up with all additional lustful desire." Comrade Guo Xiaochuan's poem has pointed out one of the fine traits of the Chinese nation -- being constant, earnest and unswerving in love. This is not at all feudal dross, but a brilliant crystallization of the spiritual civilization. We, the younger generation, should treat love seriously and never take the decadent as magical and let the sewage of "sexual liberation" taint our true and sincere love.

ANHUI ISSUES CIRCULAR ON COMBATING FLOODS

OW082205 Hefei Anhui Provincial Service in Mandarin 1100 GMT 7 Aug 82

["Text" of an "urgent circular" issued by the Anhui Provincial CPC Committee and People's Government on 6 August 1982: "Further Strengthen the Struggle Against Natural Disasters To Reap Good Agricultural Harvests"]

[Text] To the party committees and people's governments at all levels, the cadres and people and the PLA commanders and fighters fighting on the front of the struggle to combat floods in Anhui Province:

The struggle to combat floods in Anhui Province is waged under the leadership of the party committees and the people's governments at all levels in the province and with the PLA's energetic support. The party, government and army organizations and the people in the province, working together with one heart for nearly 1 month in a tenacious struggle to combat the floods, have won great victories. The provincial party committee and the provincial people's government hereby call on the people in the province to make persistent efforts, display the spirit of continuous fighting, further strengthen the struggle to combat the floods, seize well opportunities to rush draining of waterlogged land and planting of crops, and strive for bumper agricultural harvests for the whole year by every possible means. The following urgent instructions are issued accordingly:

1. It is necessary to continue watching river dikes and combat the floods to the end. At present, the water level on the Huai He is still high and heavy rains are still likely in the next few days. We should be prepared to combat still higher flood crests. All localities should further strengthen their leadership over the struggle to combat floods and educate the broad masses of cadres and people to overcome slack moods, keep morale high, continue to watch river dikes and consolidate dangerous sections of them, ensure the safety of all river dikes and dams through the floods and win final victory in the struggle to combat the floods.
2. It is necessary to seize every minute and second of the present opportune time in the current farming season to drain waterlogged land and rush planting of crops. As it will soon be the "beginning of autumn" [8 or 9 August], draining of waterlogged land and rush planting of crops brook no delay. It is necessary to mobilize all available strength to work hard day and night, rush planting of crops as soon as the plots are drained, make utmost efforts to grow more late autumn crops and grow them well in order to make up for the losses caused by the floods and strive to prevent a decrease in production in a year of natural disasters and to reap bumper harvests after the flood is over.
3. It is necessary to encourage the people to provide for and help themselves by engaging in production and it is necessary to make proper arrangements for the people's livelihood in the flood-stricken areas. The people should be mobilized to engage in diversified economy and actively undertake sideline production to increase income in addition to growing more late autumn crops by every possible means. At the same time, it is necessary to make early preparations for autumn planting. The party committees and the people's governments at all levels in the flood-stricken areas should make proper arrangements for the people's livelihood, further prevent and treat diseases and ensure the safety of human beings and animals.
4. The localities not affected by floods should consider the overall situation, strive to increase production and reap bumper harvests to make up for the losses in the flooded areas. They should timely gather ripened crops and strive to prevent losses or a decrease in production. The localities with large planting quotas should plant more late autumn crops by every possible means, improve field management and strive for more bumper harvests to support the flood-stricken areas.

5. All professions and trades should take action to energetically support the flood-stricken areas with manpower and material. The electric power and fuel supply for use in draining of waterlogged land and crash planting of crops should be guaranteed. The means of production, such as seeds and chemical fertilizers, should be timely delivered. The medical departments at and above the county level in the flood-stricken areas should organize medical teams and assign them to provide medical care to the people in the flood-stricken areas. The grain department and the civil affairs department should do a good job in the issuance of relief grain and funds. The commercial department should ensure commodity supply and purchase of livestock, poultry and other agricultural and sideline products in the flood-stricken areas.

In short, all fronts and all professions and trades should contribute their strength to the resumption of normal life, restoration of production and rebuilding of homes by the people in the flood-stricken areas.

JIANGSU CONSIDERS RELIGIOUS, NATIONALITIES WORK

OW050427 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 4 Aug 82

[Text] The Jiangsu Provincial CPC Committee held a provincial meeting on religious and nationalities work from 27 July to 4 August in Nanjing. Attending the meeting were the provincial party committee's Second Secretary Liu Lin and Secretary Han Peixin and the provincial CPPCC committee's Chairman Bao Houchang. Taking part in the meeting were responsible persons of the various prefectural, municipal and county party committees in charge of such work and responsible persons of the united front work departments and the governmental departments in charge of religious and nationalities work, as well as comrades of the provincial offices concerned, totaling more than 300 people.

At the closing ceremony this afternoon, Comrade Liu Lin gave a speech on behalf of the provincial party committee. He demanded that cadres at all levels conscientiously study and implement the central authorities' important instructions on religious work, that party committees at all levels attach more importance to religious and nationalities work and truly strengthen their leadership, and that all departments concerned closely cooperate and assume responsibilities for their share of work so as to do a good job in joint efforts in this aspect of work. He called on them to resolutely implement the party's policy on freedom of religious belief and on nationalities affairs; to consolidate and expand the patriotic political alliance among the various nationalities and religious circles, strengthen unity among the nationalities and arouse their enthusiasm; and to make contributions in building a modernized and powerful socialist country, in fulfilling the great cause of reunifying the motherland, in opposing hegemonism and in safeguarding world peace.

Also attending the meeting were responsible persons of the provincial party committee's united front work department, including Jiang Zonglu, Lu Xunru, (Liang Shangren) and Chen Yusheng. Comrades Bao Houchang and Jiang Zonglu spoke at the opening of the meeting. Comrade Lu Xunru put forward opinions about the province's future religious work in light of the situation in Jiangsu.

IDEOLOGICAL WORK AMONG SHANDONG YOUTH STRESSED

SK310026 Jinan Shandong Provincial Service in Mandarin 2300 GMT 28 Jul 82

[Station commentary: "To Strengthen Education Among Young Staff and Workers Is a Focal Point of Conducting Ideological and Political Work Among Enterprises"]

[Text] In the new historical period, whether or not we are able to strengthen ideological and political work among enterprises in an effort to train the broad masses of staff and workers, particularly young staff and workers, to be full of ideals, morality and cultural knowledge as well as disciplined is a vital issue that has a bearing on the future of enterprises and the progressive speed and success or failure of achieving the four modernizations.

Over the past few years, the number of young staff and workers has increased on a large scale due to continuous retirements among veteran staff and workers, resulting in great changes in the structure of the staff and worker contingent. New hands have become main productive forces within enterprises. Therefore, the stress in strengthening ideological and political work among enterprises should be laid on doing a good job in training young staff and workers. This is a strategic task.

The current proportion of staff and workers near the age of 30 in enterprises across the province generally amounts to 50-60 percent. All of them were brought up in the new society and are innately good. Most of them ardently cherish the party, motherland and socialism and have a fairly high cultural level. In addition, they are active in ideology, have keen emotional senses, quick senses for accepting new things and strong minds toward making progress. A large number of young staff and workers cherish high ambitions and have the spirit of men of action. They are able to become not only the backbone of politics, but also the shock force of production. We must fully acknowledge that such outstanding youths account for the majority of contemporary young staff and workers.

Youngsters of this generation, however, have been deeply poisoned and frustrated by the 10-year disturbance, and there are arduous educational tasks in training. In adopting a proper attitude toward youth issues today, we must fully understand the basic point that they wasted a lot of time during the 10-year disturbance, but that they are indispensable in achieving the four modernizations. It is an unavoidable law of nature that aged staff and workers will be replaced by young ones. We must look reality in the face and hold ourselves highly responsible to the party, the country and our common cause to fully and properly understand the youngsters of this generation by showing concern for them, loving and trusting them and by enthusiastically educating and training them.

In educating and training young staff and workers, it is imperative to adopt effective measures and correct methods to conduct education on patriotism, collectivism and communism among them by coping with their characteristic of having excess compassion for others, poor mental stability and no social experience in blocking the corrosive influence of bourgeois ideas. Efforts should be made to conduct education among them in regard to patriotism, collectivism, communism, modern Chinese history, the history of social development and the CPC's history so as to enable them to understand the present and the past of the motherland and the fact that it is not easy to succeed in socialism. Efforts should be made to urge them to always bear in mind the past, to treasure the present and to look forward to the future so that they are able to ardently cherish the party, the motherland and socialism and to uphold the four basic principles.

In conducting education among young staff and workers, it is necessary to provide guidance and persistently conduct positive education, such as persuading them patiently and commending good deeds done by them, so as to bring into play the enthusiasm toward socialism of the broad masses of youths. [passage indistinct](?Veteran party members and cadres) should conscientiously take the lead in the work and do a good job in handing over their work to their young successors. Efforts should be made to hand the party's fine tradition and fine qualities of the working class down to the younger generation, a historical responsibility which the elder generation must fulfill.

ZHEJIANG PROVINCE DEVELOPS ENGINEERING INDUSTRY

OWO41400 Beijing XINHUA in English 1201 GMT 4 Aug 82

[Text] Hangzhou, August 4 (XINHUA) -- The mechanical and electrical engineering industry in Zhejiang Province has grown over the past three years as a result of the readjustment policy and reorientation of service, according to officials of the provincial machinery bureau.

The total industrial output value in the south China province in this sector increased at an annual rate of 8.7 percent between 1979 and 1981, according to the officials. In the first half of this year, the increase was 12.4 percent over the same period of last year.

Over the past three years, the province concentrated primarily on the development of 50 kinds of mechanical and electrical products geared to the daily life of the people, and textiles and light industries.

Many integrated complexes have been set up in the course of readjustment, provincial officials said. This practice has helped boost production capacity and improve quality in order to make them increasingly competitive both at home and abroad.

There are now 80 export-oriented machinery plants turning out 60 kinds of export goods going to more than 50 countries and regions. The export of chain blocks, chains, three-ton forklifts and electrical meters accounts for over 50 percent of the country's total. Zhejiang can also export complete sets of small hydropower station equipment, air separation equipment and industrial steam turbines.

The export volume of mechanical and electrical products this year is expected to double the figure for 1981, which itself was 60 percent over the previous year.

At this time 70 percent of the province's mechanical and electrical enterprises have expanded their product range to produce 300 more new products for local silk, cotton, dyeing, foodstuff processing, bicycle, shoe making, garment and animal byproduct processing industries. This has helped raise the self-sufficiency and reduce import, the officials said.

BRIEFS

SHANDONG TECHNOLOGICAL INNOVATIONS -- Industrial and communication enterprises have scored some initial achievements in carrying out technical innovations. According to statistics, the province's state-owned enterprises arranged 1,086 technical innovation projects in the first half of 1982. Investment in these projects increased by a big margin over the corresponding 1981 period. Some 190 million yuan, 49 percent of the total investment in these projects, was used to increase energy output. Sixty million yuan was used to increase production of consumer goods in short supply, accounting for 15 percent of the total investment. Two percent, or 8 million yuan, was used to economize on energy and raw material consumption. A total of 72 technical innovation projects were put into production in the first half of 1982. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 6 Aug 82 82]

NANFANG RIBAO HITS ANTI-INTELLECTUAL PREJUDICE

HK050833 Guangzhou NANFANG RIBAO in Chinese 2 Aug 82 p 2

[Article by Yi Ming [0076 2494]: "The Key Lies in Getting Rid of Anti-Intellectual Prejudice"]

[Text] NANFANG RIBAO published a report on 19 July entitled "What Does Ye Zuozhou's Demand for a Transfer Show?" The report posed a problem which merits attention in the actual work of implementing the policy on intellectuals. The report stated that it is necessary to correctly deal with the shortcomings of intellectuals, enable them to display their good qualities and talents and to conscientiously overcome their shortcomings. I have the same deep feeling in this respect.

Everyone, including the intellectuals, has his own shortcomings. It is the same with the cadres from worker and peasant families, who have the shortcomings too. Intellectuals also have their shortcomings and weak points. The key lies in how to correctly deal with them. Some of our leading cadres, because their "left" viewpoint towards the intellectuals has not been eliminated, always overemphasize the shortcomings of intellectuals. They never see through to the essence and the main trend of the intellectuals who are willing to bring benefit to the people with their knowledge and technology, and have the will to build the revolutionary cause and the noble desire to win honor for the motherland. Therefore, ideologically, they do not yet regard intellectuals as an indispensable force to be relied on, nor do they make efforts to enhance the latter's initiative. It is very difficult to implement the policy on intellectuals if this fundamental question of understanding on intellectuals is not resolved.

Let us take Ye Zuozhou for example. Although he is very old, he still crosses mountains and rivers to survey hydroelectric projects, regardless of his sickness and weakness. His study of the dam and reservoir foundation "fault-parting clay stabilizing liquid" has singular importance for hydroelectric work construction. However, this famous expert was not vigorously cited for his merits and was not given support for his interest in the four modernizations of his meticulous scholarship at the worksite. On the contrary, they kept a close watch on his shortcomings and they were hard on him in all aspects. This, perhaps, is not a shortcoming in the method of thinking and leadership, but is due to "left" anti-intellectual prejudice.

We should take care of intellectuals while dealing with their shortcomings and errors, and we should sincerely educate them, help them and convince them by reasoning and paying attention to methods and the environment. In other words, we should take into consideration the special characteristics of intellectuals. Recently, GUANGMING RIBAO published a news report concerning how Comrade Wang Zhen dealt with intellectuals. The report refers to Comrade Wang Zhen who, in 1935, in compliance with the order of the party Central Committee, organized a railway corps. At that time, there were some technicians who did not keep their mind on their work. They wanted to leave the crops for the big city. How did Comrade Wang Zhen handle this case? He seriously criticized the incorrect ideas existing among the technicians, and at the same time he respected them and had confidence in them. Comrade Wang Zhen criticized the incorrect ideological trend of some leading cadres who looked down on the intellectuals, and set out a specific policy which stipulated their responsibilities, titles and treatment which helped give them responsibilities and rights. This moved and encouraged the technicians. Those who wanted to leave the crops in the beginning were happy to recognize their mistakes and entered their names for the crops. Comrade Wang Zhen's merits in showing concern and care for intellectuals are worthy as an example for and emulation by us and for leading comrades at all levels. I think that if some of the leading cadres in the Guangzhou chemical research department could have acted as Comrade Wang Zhen did toward the intellectuals, by respecting Comrade Ye Zuozhou, understanding him, treating him as an equal, having confidence in him and regarding him as their own comrade and friend instead of being domineering, keeping a great distance from him and saying things such as "if people do not report to you, I cannot do anything about it," and "my name comes before yours on the list" and so on, how could Ye Zuozhou have submitted his report for transfer?

Intellectuals are reasonable. They are ready to accept even serious criticism based on facts. If we still adopt the method of setting a target of criticism, making trouble, bringing pressure and assuming great airs and being a cut above the intellectuals, lecturing and mocking them, speaking sarcastically, and regarding the merits of the intellectuals who dare to put forward their ideas on the subject as shortcomings and as a sign that they are getting cocky, all this will not only fail to resolve the ideological problems of the intellectuals, but will also hurt their feelings. Are there not many lessons in this aspect in the 20 years since 1957?

Now is the time to eliminate the leftist tendency of anti-intellectual prejudice. Only after eliminating this prejudice can we really implement the policy on intellectuals and a great number of gifted persons emerge.

HENAN PARTY SECRETARY ON ROLE OF PROGRESSIVES

HK050621 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 4 Aug 82

[Article by Bai Xichuan, party branch secretary of Baizhuang brigade in Zhengzhou outskirts: "Learn From Zhao Chune and Be Leaders in Supporting Progressive Elements"]

[Excerpts] I have been deeply moved and educated by the glorious record of party member and provincial labor model Zhao Chune, as reported in the press and radio. There are also many cadres and peasants with the spirit and sentiment of Zhao Chune in our Baizhuang brigade. They were happy to exert great efforts and sweat profusely in changing the poor and backward state of Baizhuang. They include good cadres who have never asked for subsidy workpoints since the days of mutual aid and the cooperatives, and good peasants who have labored without recording time or remuneration. It is precisely because we have these progressive elements that the party branch has been able to do its work smoothly and successfully.

Previously, during the period of interference and sabotage by the gang of four, certain people were unable to distinguish between fragrance and stink; anyone who wanted to work wholeheartedly for the public was the subject of ironical remarks and attacks. In the past 2 years certain people in society, influenced by external bourgeois ideology, seem to think that socialism and communism are not as good as their individualism, and describe as stupid anyone who makes greater contributions to the collective and does good deeds for the people. We have always resolutely opposed this kind of queer phenomenon, and we have consistently and vigorously commended good people and good deeds. We have also constantly helped the masses to understand what is fragrant and what is stinking, what we advocate and what ought to be opposed. We have carried out an annual assessment and commendation of model laborers since 1970. In particular, we have vigorously commended the progressive elements since the third plenary session.

The autumn farming season is our busiest time. The crops have to be reaped and threshed, the wheat sown, the apples picked and transported, and the fruit wine made, while industrial and sideline production cannot be stopped. At this period even an extra 200 laborers would not be sufficient. What can we do then? We mainly rely on the progressive elements to dauntlessly lead the masses to work hard. It is truly the case that one person does the work of two.

Practice has proved that the great cause of building socialism cannot be done without the lofty communist spirit of people like Zhao Chune.

HAN NINGFU ADDRESSES HUBEI REORGANIZATION FORUM

HK110220 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 10 Aug 82

[Summary] "Han Ningfu, the Hubei Provincial CPC Committee second secretary and vice governor, pointed out in the speech he gave at the provincial meeting on reorganizing industrial and communications enterprises that the CPC committees and governments at all levels throughout the province must heighten their understanding of the significance of doing a good job in the overall reorganization and the comprehensive ordering of our enterprises. He said that they must regard this work as one of their major tasks and pay close attention to it."

The provincial meeting on reorganizing industrial and communications enterprises was held from 4 to 10 August. At the meeting, experience in reorganizing enterprises was exchanged and the discussion was focused on the problem of how to develop the work of reorganization in depth.

In his concluding speech today, Comrade Han Ningfu said that the most important task for our enterprises is to raise their economic effectiveness. The criterion for judging whether or not an enterprise has satisfactorily undergone reorganization is whether or not it has achieved good economic effects. While reorganizing our enterprises, we should also carry out technical renovations and replace our old equipment with new equipment, and thus bring a change in the situation whereby our enterprises are technically backward and poorly equipped. We should also conscientiously do a good job of training our cadres and educating our staff and workers in order to increase our intellectual resources.

"Han Ningfu said that enterprise reorganization, technical renovation and the training of staff and workers were not only the capital construction in our enterprises, but also the fundamental ways to raise the economic effectiveness of our enterprises.

In order to develop in depth the work related to enterprise reorganization, Comrade Han Ningfu stressed the following three points: 1) We should strengthen the leadership and perfect the system and regulations related to the management of our enterprises. 2) We should readjust and perfect the economic responsibility system in our enterprises. 3) We should reorganize the basic-level CPC organizations and strengthen the ideological and political work in our enterprises.

RESULTS SEEN IN HUBEI BUSINESS REORGANIZATION

HK100254 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 9 Aug 82

[Summary] Initial results have been achieved in Hubei Province in reorganizing industrial and communications enterprises. "In the first half of this year, the industrial output value of 482 enterprises, which were reorganized according to plan, increased by 13.52 percent, and the profits they gained increased by 7.88 percent over the corresponding period of last year."

"For the first period, 690 enterprises carried out reorganization. The tasks included reorganizing the leading bodies and the ranks of staff and workers, improving the management systems, strengthening labor and financial discipline, rectifying the party's work style and enhancing the political and ideological work. More than 3,000 cadres, including more than 900 responsible cadres at and above the municipal, county and deputy bureau chief levels, went to the enterprises to help them carry out the reorganization."

Wuhan's municipal chemical industrial bureau and a steelworks were commended for doing a good job in this respect. Although the output of the steelworkers was less than that of the corresponding period of last year, the quarterly profits increased by 6.9 percent.

HUNAN FIGHTS LAW VIOLATIONS IN DISASTER RELIEF

HK090722 Changsha Hunan Provincial Service in Mandarin 1100 GMT 8 Aug 82

[Text] The Discipline Inspection Commission of the Hunan Provincial CPC Committee recently issued a circular to all prefectural, autonomous prefectural, municipal and county CPC committees and their subordinate discipline inspection commissions throughout the province, calling on the party organizations at all levels and all CPC members throughout the province to resolutely struggle against violations of law and discipline in the current natural disaster relief work.

The circular said: In mid-June, quite a few places in our province witnessed flood due to rainstorms, which brought about tremendous losses in life and property to the masses of the people in the disaster areas. After the disaster, the party and the government have, on the one hand, mobilized the masses to carry on production so as to relieve themselves and, on the other hand, have distributed in good time a number of relief funds and materials to the disaster areas. In addition, quite a few cadres and masses have donated on their own some money and materials to the disaster areas. This has shown the party's and the government's concern for the people in the flood-stricken areas. It must be ensured that all these distributed funds and materials are strictly used for relief purposes. All CPC members are prohibited from violating the principles by abusing their power; from using the relief funds and materials to ingratiate themselves with others, to get in by the back door and to do favors for their own relatives and friends; from practicing fraud and taking others' allotments by assuming their names; from squandering the relief funds in giving banquets; and from privately giving away the relief funds and committing bribery. All those who fail to observe the regulations will definitely be severely dealt with. Any discipline department, once discovering cases of misuse or private giving away of the relief funds and materials and committing of bribery, must immediately investigate these cases, seriously and promptly handle them and resolutely recover all misused funds and materials. No appeasement can be practiced toward these violations of law and discipline.

BRIEFS

INTERNATIONAL SERICULTURE CENTER -- Guangzhou, July 22 (XINHUA) -- Construction has been completed for a sericulture center in Guangzhou to help train sericulturists and teachers from a dozen developing countries in Asia and the Pacific. The project, jointly undertaken by China and the United Nations Development Program (UNDP), will operate under the South China Agricultural College in Guangzhou. Teachers from the college are preparing teaching materials for mulberry cultivation, sericulture, silkworm disease control and prevention and other subjects. The center has a classroom building 2,000 square meters in floor space and an experimental mulberry plot of two hectares. [Beijing XINHUA in English 1538 GMT 22 Jul 82 OW]

SICHUAN LEADERS HAIL SEVENTH PLENARY SESSION

HK080401 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 8 Aug 82

[Excerpts] According to Sichuan RIBAO, secretaries and standing committee members of the provincial CPC committee who are in Chengdu and responsible comrades of various departments gathered in the conference hall of the provincial CPC committee on 7 August to seriously study and discuss the communique of the 7th plenary session of the 11th Central Committee. They unanimously support the publication of the communique and held that the imminent 12th party congress will be a major event in the political life of the Chinese people and meet the demands of the work of the whole party and of the country's socialist modernization drive. The convention of this congress reflects the common aspirations of the whole party and the people of the whole country.

The participants also seriously studied the session's letters of respect to Comrades Liu Bochong and Cai Chang, two proletarian revolutionaries of the older generation. They unanimously pledged: We must continue to brace our spirits, promote the province's industrial and agricultural production and economic construction work and greet the 12th party congress with practical deeds in building material civilization and socialist civilization.

Provincial CPC Committee Secretary Xu Mengxia presided at this study meeting.

AFP: DALAI LAMA'S XIZANG FOLLOWERS RELEASED

OW081148 Hong Kong AFP in English 1130 GMT 8 Aug 82

[Text] Beijing, Aug. 8 (AFP) -- Chinese authorities have released followers of the Dalai Lama in Xizang detained since the 1959 uprising, which was crushed by the Chinese army.

A radio Lhasa report received here today said last June local authorities had freed 182 military and administration personnel previously held in prisons or "labour reform" centers for "rebellious and historical crimes" committed in 1959.

China occupied Xizang in 1951 and maintained the Dalai Lama's nominal power until the failed uprising after which the god-king of the ancient Himalayan kingdom and 100,000 other supporters took refuge in India. Since then the huge territory with its population of 1.8 million has been ruled as an autonomous Chinese region. For several years China has tried to convince the Dalai Lama to return to China.

The 46-year-old Dalai Lama still enjoys a great deal of prestige in Xizang and has reacted ambiguously to Beijing's call. He recently announced that he would not return as long as Xizang remained under Chinese domination. Last year, however, he congratulated Hu Yaobang on his election as president of the Chinese Communist Party expressing his "prayers for your successful leadership and prosperity of the Chinese people."

China's messages to the Dalai Lama have themselves shown some ambiguity and in spite of China's frequent calls for him to return it has never stated what role he would be expected to play nor whether he would be allowed back into Xizang. Last year China formally acknowledged an undercurrent for independence in Xizang and categorically rejected it in principle.

Radio Lhasa said other supporters of the Dalai Lama were freed in 1978 and 1979 but, it added, "it was arranged that most would stay and work at labour reform units."

The new measures taken by local authorities in Xizang conform to the national policy taken a few months ago to release civilian and military personnel of the Kuomintang regime, imprisoned since the 1949 communist victory, the radio reported.

YUNNAN HOLDS FORUM ON RESPONSIBILITY SYSTEMS

HK310636 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 30 Jul 82

[Summary] A Yunnan provincial forum on perfecting agricultural production responsibility systems was held from 10 to 22 July. The meeting analyzed developments in the past 3 years, summed up and exchanged experiences and looked into new situations and problems that have now arisen.

"The meeting put forward the following six views on further perfecting the responsibility systems: 1) perfecting the production responsibility systems is a long-term task; 2) get a good grasp of solving the problems that have arisen; 3) set up responsibility systems for diversification and put them on a sound basis and promote the development of commodity production; 4) actively popularize various types of science and technology responsibility systems; 5) rectify and strengthen the grassroots organizations and perfect the cadre job responsibility systems; 6) strengthening and improving party leadership is the fundamental guarantee for perfecting the responsibility systems."

The meeting held that "at present 99.6 percent of the province's production teams have set up various types of production responsibility systems. By the end of last year the large-scale move in setting up these systems had been completed, and the work entered the stage of summation, perfection and stabilization. At present we should get a good grasp of solving various leftover problems."

The forum also held that "in the previous 2 years we concentrated on setting up responsibility systems for agricultural fieldwork. This was necessary. We are rather weak however in responsibility systems for diversification. The task of setting up and perfecting these remains very heavy. We must realize that, after solving their food problems, the peasants urgently demand developing commodity production to increase their economic income. Yunnan also possesses very good conditions and tremendous potentials for developing diversification; hence, promptly shifting the focus in setting up and perfecting the responsibility systems to diversification is the urgent demand of the masses and also the objective requirement of economic development. We must, therefore, closely integrate perfecting the responsibility systems with implementing the production guiding principles, so as to bring into full play the province's superior features in diversification and stimulate the development of commodity economy."

"At present the province should get a good grasp of the following tasks: 1) seriously correct collective industry and sideline production; 2) promote diversification responsibility contracts and stimulate all-round development; 3) do a good job in the distribution of income from collective diversification; 4) attach importance to developing specialized and key households; 5) actively support economic joint undertakings of all types."

The meeting emphasized that "at present the tasks of rural work are very arduous. As in the cooperativization period, the whole party must regard perfecting the responsibility systems as the task of the whole party and concentrate efforts and properly strengthen leadership over it. At the same time it is essential to organize a powerful rural work force and send it into the grassroots to help the basic-level party organizations launch the various tasks of rural work centered on perfecting the responsibility systems, do a good job in rectifying and building the basic-level organizations, and bring their total role into full play. We must strive to make a new breakthrough in perfecting the responsibility systems."

YUNNAN MEETING STRESSES LATE AUTUMN CROPS

HK230303 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 22 Jul 82

[Summary] It is essential to mobilize the masses to plant more late autumn crops, especially grain, according to a telephone conference convened on 20 July by the Yunnan Provincial CPC Committee and government. Provincial CPC Committee Deputy Secretary Liu Shusheng presided. (Xu Nanhua), deputy director of the provincial agricultural committee, conveyed the spirit of instructions of the provincial CPC committee and government on agricultural production in the second half of the year. He continued: "The province's agricultural situation is good this year. Why then does the provincial CPC committee stress the sowing of more late autumn crops?"

"1. The provincial CPC committee has pointed out: Yunnan's agricultural development has entered a new stage. In most places the masses' food problem has been solved, and in the future we should concentrate on developing diversification and commodity production, to enable the peasants to get rich as quickly as possible. The provincial CPC committee, however, has also stressed that the province is still not self-sufficient in grain, and its grain production is still unstable, so we certainly cannot relax grain production. Developing commodity production includes developing grain production.

"2. This year the province's spring-harvested grain production was lower than last year, and serious natural disasters have affected the spring-sown crops. If the late autumn crops cannot recoup the losses in spring-harvested grain, it will be very hard for the province to increase production this year; hence the leaders at all levels must attach a high degree of importance to this question."

3. Late autumn crops have always accounted for a certain proportion of the province's grain output. It is all the more important to cultivate these crops in a big way this year. The provincial CPC committee has demanded that the province strive to sow a record area to late autumn crops this year, and reap a harvest of 300 to 400 million jin in these crops.

(Xu Nanhua) continued: The provincial CCP committee has also stressed a number of points in agricultural production that must be grasped as early as possible. 1) Sum up experiences, and especially for this year, in spring-harvested grain production, and prepare for next year's crop as early as possible. 2) Make early arrangements for next winter and spring agricultural capital construction work, with the focus on small projects. 3) Attach importance to and solve the problem of vegetable production and supplies in the fourth quarter of this year and the spring of next.

Comrade Liu Shusheng also spoke at the meeting. He called on the province to do well in fighting natural disaster to win a bumper harvest, carry out careful mid-season plowing and field management, and grasp the sowing of late autumn crops. Concerned responsible comrades from all parts of the province took part in the telephone conference.

BRIEFS

XIZANG CAPITAL CONSTRUCTION -- The Xizang Autonomous Region invested a total of 50.063 million yuan in its capital construction projects in the first half of 1982, which constituted 40 percent of the annual target for 1982 and an increase of 23 percent over the same period last year. According to incomplete statistics, construction of 160,000 square meters of housing has been started, and about 50,000 square meters were finished during the first half of 1982. Of the 50,000 square meters completed, 25,000 square meters were for residential purposes. The amount of work that the construction companies in the region completed exceeded the target by 5 percent and was 9 percent more than in the same period last year. The amount of design work that these companies completed in the first half of 1982 was equal to what they completed during the whole year of 1981. [Lhasa Xizang Regional Service in Mandarin 0000 GMT 10 Aug 82 HK]

NEI MONGGOL POLITICAL, ECONOMIC SITUATION VIEWED

OW060653 Beijing XINHUA Domestic Service in Chinese 0720 GMT 5 Aug 82

[Excerpts] Hohhot, 5 Aug (XINHUA) -- Since its implementation of the important directive issued by the central authorities on work regarding Nei Monggol a year ago, Nei Monggol Autonomous Region has attained gratifying results in the political and economic fields. The situation is getting better and better.

Since a year ago, the party organizations at all levels throughout the Nei Monggol Autonomous Region have further implemented the party's policies on nationalities, cadres and intellectuals. Changes for the better in party spirit and social values have apparently taken place. Social order has been further stabilized and unity among people of all nationalities further strengthened.

In the economic field, the autonomous region has taken the road of developing a diversified economy with emphasis on forestry and animal husbandry in accordance with the guidelines laid down in the directive of the central authorities. The relations among agriculture, animal husbandry and forestry have been well adjusted and all forms of production responsibility systems set up and improved, greatly arousing the enthusiasm of the peasants and herdsmen of all nationalities. The autonomous region has made significant progress in the development of animal husbandry this year. The number of animals raised in the autonomous region has reached 46.3 million, the highest record in history.

There will definitely be a bumper harvest of summer grain crops with all major autumn crops growing vigorously. A good harvest for the whole year is expected.

In the course of streamlining enterprises in an effort to improve economic results in industry, the autonomous region has implemented all forms of economic responsibility systems, as well as the responsibility systems for one's own profits and losses. Enterprise management has also been generally improved. During the first six months of this year, more than 50 percent of the annual targets for industrial output value has been fulfilled, with marked improvements in economic results.

The party committee of the Nei Monggol Autonomous Region has recently summarized and reviewed the achievements in the past year in implementing the directive issued by the central authorities. It has called on all party organizations to continue developing the favorable situation, guard against arrogance and rashness, work hard with a revolutionary drive, march forward on the crest of victory, and strive to score even greater achievements and fulfill the requirements listed in the directive of the central authorities as soon as possible.

SHANXI TRAINS CADRES IN RESPONSIBILITY SYSTEM

OW310559 Beijing XINHUA Domestic Service in Chinese 0103 GMT 30 Jul 82

[Report by XINHUA correspondent Yang Yuliang]

[Excerpts] Taiyuan, 30 Jul (XINHUA) -- Shanxi Province has conducted large-scale training of basic-level rural cadres group after group at different times in order to enable them to meet the needs in the phased development of the agricultural production responsibility system.

According to statistics, more than 510,000 such cadres in the province have been trained, accounting for 92.1 percent of those rural cadres who need such training. After the training, a large number of basic-level rural cadres gained a correct understanding of the responsibility system, learned to use new work methods in the new situation and raised their managerial level. While inspecting work in Shanxi, a leading comrade of the central authorities said that this was a very important link in improving and developing the responsibility system in agricultural production.

Various forms of the production responsibility system have been instituted in Shanxi's communes and production brigades and teams since October 1980. However, a considerable number of basic-level rural cadres have not been able to understand or adapt themselves to this responsibility system. At first they were "at loggerheads" with the masses. When they could not hold out against the masses, they then refused to have anything more to do with matters concerning the masses. This affected the establishment and development of the responsibility system. In view of the situation, the Shanxi provincial party committee decided to hold training classes to educate large numbers of basic-level rural cadres.

Large-scale training of basic-level rural cadres has been conducted three times in Shanxi Province since last July. Through the training, participants have raised their ideological level and leadership ability. Those who once resisted the responsibility system have now become its supporters, and those who were once ineffective in running affairs have now become effective in this regard.

The responsibility system was instituted later in Shanxi Province than in other areas. However, because of vigorous efforts to train basic-level rural cadres, the responsibility system has been developing properly and soundly in the province. As a result, peasants' enthusiasm for production is running high.

SHANXI RIBAO EMPHASIZES COMMODITY CIRCULATION

HK290924 Taiyuan SHANXI RIBAO in Chinese 19 Jul 82 p 1

[Editorial: "County and Commune Party Committees Must Seriously Grasp Circulation"]

[Text] Since the 3d Plenary Session of the 11th CCP Central Committee, the rural situation in our province has improved year after year. With an increase in grain output each year, a gratifying look has appeared in diversified undertakings. Households specializing in certain farm products and key households have emerged. Commodity production is quickly developing in the province's rural areas. The "three reliances" production teams and poor households have begun to extricate themselves from a predicament. The masses all have smiles on their faces and joy in their hearts.

However, in days of joy, peasants are also laden with anxieties. What is worrying them? They are worried about some of their products which are not selling. Does this mean that there is a surplus of such products? No, it does not. Our province has made headway in diversification and commodity production in the rural areas, but this is just a beginning. There is no overproduction of such products. Supply does not exceed demand. If this is so, then why are the peasants having difficulty selling their products? It is because our markets for commodity circulation have been clogged. The situation in many places shows that the markets for farm sideline products in particular have been badly blocked for the past 2 years. This is a very sharp contradiction. We must properly and effectively solve this problem without delay. This is a great economic and political task facing our leaders at all levels at the present time.

In order to iron out the contradiction, the party Central Committee and the State Council are now directing all commercial departments in the country to carry out reforms in the commercial systems. However, the reforms are very complicated and also involve quite a few departments. This is still a new task which we must explore and which will take a long time to accomplish. Of course, this does not mean that now we should not promote diversified undertakings in the rural areas until these reforms are completed. What should we do? At present we should solve the problem of commodity circulation according to the actual situation. A saying in this regard reads: "Only with free circulation of commodities and brisk supply and marketing will production output increase and agriculture develop." This is true. If there is no free circulation of commodities, it will be idle talk to make agriculture linked with society and to make it specialized and commercialized.

In order to grasp circulation, leading comrades at county and commune levels must study the theory of socialist economics and do their best to understand, master and apply objective economic law. They must make thoroughgoing investigations in order to understand the local natural resources, communications statutes and advantages in all fields of production. They must study often and know well the market situation for local products and keep aware of relevant economic information and price trends. They must have a good knowledge of state guidelines, plans and instructions on farm sideline production in order to meet the needs of the country and the people as well as the needs of markets so that they can continuously improve production in a planned way and not blindly make arrangements for production. Apart from this, they must spare no efforts in grasping marketing and must support and encourage supply and marketing cooperatives and other trade units in the rural areas to do a good job of commodity circulation. The system of supply and marketing cooperatives in the rural areas must be changed through full and democratic discussions and consultations between the leaders at the grassroots level and commune members. We must virtually turn them into economic organizations of the collective, which will directly serve production teams and commune members and take on the work of purchasing and selling farm sideline products, in coordination with workers and staff in the financial and trade circles, we must vigorously improve purchases and sales in the countryside and actively look for markets and customers to conclude sales contracts. By freeing ourselves from old ideas and continuing to get rid of "leftist" thinking, we can find more channels for commodity circulation, give full play to the leading role of rural supply and marketing cooperatives and, at the same time, continue to give free rein to the role of different collective and individual trades and other channels. We must do a good job of trading at rural fairs so as to market more farm sideline products and provide peasants with more necessary goods to meet their needs in production and livelihood. At the same time, we must educate peasants to take the whole situation into consideration and fulfill their task of selling farm sideline products to the state so as to make more contributions to the four modernizations.

The more rural production is developed, the more the contradictions in commodity circulation will become acute and obvious. A proper handling of the problem will accelerate the development of production; otherwise, it will become a big obstacle. Therefore, party committees at all levels must know how to solve such new problems and new contradictions and strive to qualify themselves to lead the modernization of socialist large-scale agriculture in order to make extraordinary contributions for welcoming a new high tide of agricultural production in our province and making peasants become affluent step by step.

INDUSTRIAL SITUATION IN SHANXI PROVINCE REPORTED

HK070401 Taiyuan SHANXI RIBAO in Chinese 30 Jul 82 p 1

[Report: "Responsible Comrades of Provincial CPC Committee and Government Put Forward Views on Arrangements for Industrial Production in Second Half of the Year"]

[Text] Recently, the responsible comrades of the provincial CPC committee and government put forward views on arrangements for industrial production in the second half of this year and demanded that all cadres, staff and workers continuously grasp the work of reversing losses and increasing profit in industrial enterprises in July and August. From September to the end of this year, the work must be centered on upgrading the quality of products and increasing the variety of products, thus guaranteeing the fulfillment of the whole year's industrial production. At the beginning of next year, the work must be centered on cutting down input consumption, reducing costs and raising laboring productivity.

In order to carry this out, the provincial economic committee issued in mid-July "Views on the Arrangements for Several Major Tasks in the Second Half of the Year in Industrial and Communications Departments of the Province."

The "views" first of all laid stress on continuously grasping the work of reversing losses and increasing profits. It demanded that all the leading comrades of various prefectures, cities and departments go deep into the grassroots to help resolve problems that cannot be resolved by the enterprises themselves, and achieve some results. It is necessary to organize the financial, banking and revenue departments to help overcome some practical difficulties in those enterprises suffering losses and create conditions in every aspect for reversing losses. Enterprises which have been suffering losses due to the overstocking of their products for years should be regarded as no longer suffering losses, as an encouragement, as long as they are not suffering losses in the current year. Enterprises suffering losses due to policies must be defined one by one, and the amount of loss allowed must be defined as well. As for those enterprises which have been suffering losses not as a result of policy, they must also be defined and a deadline must be set to change the losses into profit. We must clearly discern the situation in enterprises which have difficulties in selling their products, suffer serious losses and cannot change their status in a short time, and be determined to halt production and switch to another line. As for those enterprises which are not sure at the moment whether to halt production or switch to another line and which have inadequate tasks, it is necessary for them to define the personnel according to production and transfer spare personnel for concentrated study and training. While grasping the work of reversing losses, we must continuously grasp the work in profit-making enterprises, further perfect the economic responsibility system, strengthen the work of business accounting, do our utmost to cut down on input consumption, reduce costs, increase profit and resolutely fulfill the profit-remitting task of the whole year.

The "views" demanded that we do a sound job in improving the quality of products and in increasing the variety of products. In September, all the industrial and communications enterprises must take an active part in the activities of the fifth national "quality month" drive and, centering on "striving for practical effects to satisfy customers," vigorously create public opinion and mobilize the broad masses of workers and staff to develop a mood of "it is glorious to manufacture products of fine quality" and "it is glorious to offer good service to customers." In September, all enterprises must mobilize the masses to conduct an overall check on the products of their own units and, in accordance with the problems found in this check, work out practical measures to resolve them within a definite time. As for those enterprises which suffer from overstocking of products because of their rough and slipshod manufacture, they must halt production and be straightened out. Necessary punishment must be imposed on the leaders of those enterprises. We must mobilize all enterprises to extensively collect the customers' views on their products through such channels as market investigation, forums on industry and commerce, serving as shop assistants and visiting customers. We must check the work of "three guarantees" (guarantees of repair, exchange or return of defective goods) and improve the work of technical service. It seems necessary that some enterprises in light industry, textile and machinery departments of the province must be selected to establish a regulated system of quality information and experiment with "quality information forms" in order to make collecting customers views a regular thing. It is necessary to continuously promote overall quality control and establish a quality guarantee system. The province must promote overall quality control and establish quality control groups first in nearly 400 enterprises which have been awarded for their products of fine quality by the state, the ministry or the province in previous years before the end of this year. The province must also start and perfect the basic work of keeping original records, testing measures and quality criteria. In the future, the quality of products must be taken as the main criterion to measure the work of a workshop, a group or an individual. Those who are unqualified cannot be selected as advanced people or advanced units. It is necessary to do a good job in upgrading the quality of major trades and major products.

We must continuously carry out the activity of "creating excellent ones." Every trade must clearly define one to three products and strive for creating products of fine quality in each ministry so as to reach the first or second place of corresponding products in the whole country. It is demanded that by the end of this year, more than 80 percent of the quality indices of the major products in our province exceed last year's level and, of 100 major products, one-third must reach the average national advanced level of the corresponding products last year.

"Views" finally demanded that by the end of this year, in addition to grasping the work of quality, we must also organize forces to set about next year's preparatory work and arrange the plan of next year's industrial production as soon as possible, particularly the plan of the first quarter of next year, so as to carry out production smoothly at the beginning of next year. We must also grasp the preparatory work for focusing on cutting down on input consumption, reducing costs and increasing labor productivity in the first quarter of next year, thus setting a good starting point for the work of the whole year.

TIANJIN REGULATIONS ON URBAN COLLECTIVE ECONOMY

SK031124 Tianjin City Service in Mandarin 0030 GMT 3 Aug 82

[Text] According to our sources, to promote the development of the urban collective economy, the municipal people's government recently promulgated specific regulations on the issues of commodity supply, materials and goods supply, business places and tax revenue of the urban collective economy.

In the field of commodity supply, the regulations of the municipal people's government note: Commercial wholesale departments should supply the urban collective-owned commercial departments with commodities which are approved by the authority to be marketed by them. Equal treatment should be given to the urban collective-owned commercial departments and the state-run retail commercial departments. Commodities in short supply should be rationally supplied to urban collective-owned commercial departments, and the supplied amount of such commodities should not be less than that to the state-run commercial departments. When a collective-owned catering trade has been newly established, various state-run departments should give it great support and appropriate preferential treatment. The methods of supplying grain, meat, fresh eggs and sugar which are needed in food processing should be formulated by the grain bureau and the second commercial bureau. Raw materials and fittings needed in mass processing and repair services which should be supplied by commercial departments should be supplied in a planned and active manner. In addition to ordering commodities from state-run wholesale departments, the urban collective-owned enterprises are allowed to purchase, within the limits permitted by policies, agricultural, sideline, local and special products and unsalable products of industrial departments at trade warehouses, rural communes and brigades, plants and other enterprises.

As for the supply of materials and goods, the regulations note: The supply of materials and goods belonging to the first and second categories which are needed by collective-owned enterprises should be brought into line with the plans of departments concerned. The third category materials and goods and the materials and goods belonging to the first and second categories which are allowed to be sold at markets should also be purchased in the municipality and other places. The municipal departments concerned should supply adequate fuel and electricity, in line with the practical demands, to urban collective-owned enterprises in order to develop production, daily service and repair service.

Referring to the business places, the municipal people's government stipulates: With the principle of conforming to the city planning and not interfering with traffic and city residents, various district people's governments should make overall arrangements and planning in cooperation with other departments concerned. It is planned that some commercial streets, [words indistinct] and traditional markets will be resumed and newly opened. The yards and places outside the enclosing walls of enterprises, establishments, government organs, troop areas, schools and churches can be used as market places. The municipal people's government also stipulates that the urban collective-owned enterprises which provide employment for jobless youths only are allowed to be exempt from industrial and commercial income tax for 2 to 3 years after they begin production and open for business. The urban repair and service trades should enjoy a 3-year exemption from industrial and commercial tax. As for the collective-owned enterprises in which over 60 percent of all employees were jobless youths when the enterprises were established, 2 to 3 years' exemption from industrial and commercial income tax are permitted. As for the enterprises whose employment of jobless youths is less than 60 percent of all workers, their income tax should be reduced by 50 percent for less than 3 years after being checked and approved by financial departments.

BRIEFS

NEI MONGGOL AFFORESTATION -- As of 4 August Nei Monggol Autonomous Region had afforested 820,000 mu during the rainy season. It also prepared 500,000 mu of land for afforestation in Autumn. Together with the trees planed in the spring, the region has overfulfilled the annual afforestation by 6 percent. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 7 Aug 82 SK]

NEI MONGGOL LIVESTOCK PRODUCTION -- Hexigten Banner in Nei Monggol Autonomous Region has had record results with livestock production. The banner now has 1.145 million head of livestock. Only 16.5 percent of the livestock are draft animals, however. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 7 Aug 82 SK]

GANSU WARNS ON ATTACKING, ISOLATING ADVANCED

SK070935 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 6 Aug 82

[Station commentary: "The Advanced Personages Should Be Firmly Supported and Popularized"]

[Text] At present, when we undertake the arduous task of building the two civilizations, large numbers of advanced personages like Zhao Chune are urgently needed to lead the broad masses of the people forward. However, the problem of making things difficult for the advanced exists in many localities and units, thus seriously hindering the development of the mass activity of emulating, learning from, catching up with, helping and in turn surpassing each other. The malpractices of isolating and attacking the advanced really exist in a few localities and units. For example, some advanced and model personages meet with other's jealousy for making more contributions. Some are isolated by others for upholding principle and being brave in shouldering responsibilities. Some are attacked for resisting malpractices. Some are mocked for being ready to help others. Some meet with difficulties for turning out inventions and creations.

There are many reasons for such malpractices. The major one is that during the 10 years of turmoil, the Lin Biao and Jiang Qing counterrevolutionary clique calumniated many advanced personages [words indistinct] and imposed cruel attacks and persecution on them. The clique preferred to praise the smash-and-grabbers and rogues as so-called heroes and examples in order to spread rumors and evil ideas for them. This situation has not been thoroughly changed. Another reason is that many units neglected ideological and political work, and thus the idea of bourgeois individualism has gained ground. Some people cannot bear that others are more advanced than themselves and even attack and mock others. This situation should never be treated lightly.

We should thoroughly liquidate the pernicious influence of the Lin Biao and Jiang Qing counterrevolutionary clique, strengthen ideological and political work and support the advanced with a clear-cut stand so as to achieve success in the mass activity of learning from and catching up with the advanced.

NINGXIA RIBAO ON STRUGGLE AGAINST ECONOMIC CRIME

HK060607 Yinchuan NINGXIA RIBAO in Chinese 16 Jul 82 p 1

[Report: "Regional CPC Committee Holds Forum on Struggle Against Serious Economic Crime"]

[Text] From 20 to 21 July the regional CPC committee held a forum on the struggle against serious economic crime, urging all departments and areas to sum up experiences, deepen their understanding, strengthen leadership and concentrate forces to investigate and handle important cases in order to lead the struggle against serious economic crime to develop in depth.

The forum relayed and studied the instructions of the Central Committee and reported on the struggle against serious crimes committed in the economic field in the region during the past 6 months. In this period of time, the CPC committees at all levels have done a lot of work in the struggle against serious economic crimes and scored preliminary achievements. By 15 July a number of economic criminal cases and clues had been discovered and a number of criminals punished according to law throughout the region. Under the deterrent force of the policy of "leniency to those who confess their crimes and severity to those who refuse" and the "decision" of the NPC Standing Committee, a number of criminals gave themselves up and confessed their crimes. Four of the criminals confessed that they had engaged in graft and accepted bribes amounting to more than 10,000 yuan. This struggle has played a positive role in hitting at economic criminals, educating the cadres and the masses and improving the party style and the general mood of society. However, there are still many problems in the struggle against serious economic crime and there is still a long way to go before it meets the demand set by the Central Committee. In particular, the investigation work on the important cases has made slow progress. Some party organizations up to now have not placed this struggle on the agenda and grasped it as an essential matter.

Leading comrades of some units just take command but do not go out to battle, and they talk too much and do little. This situation is due to ideological understanding not being properly resolved. Therefore, the forum urged party committees (party organizations) at county level and above to conscientiously sum up and check to see how they have implemented the instructions of the Central Committee over the past 6 months. Has the leadership attached importance? Have they adopted a resolute attitude? Have they taken effective measures? They should make a rapid breakthrough, and especially score notable achievements in the investigation of important criminal cases through summing up experiences, deepening understanding, overcoming relaxation of efforts and fear of difficulty, and removing obstacles and interference.

The forum pointed out that it is necessary to investigate important cases thoroughly to the end, no matter who might be involved. If those who are to be investigated do not have a correct attitude or set up obstacles and interference, or there are people who intend to give unprincipled protection to and shield the suspects, they will be dealt with sternly according to the instructions of the Central Committee by taking resolute measures. We cannot take a laissez-faire attitude which will affect the struggle's development. All units and departments must work in coordination and support each other, and take the initiative in providing information. Any problem which may arise should be resolved through consultation, and people should never put things off or wash their hands of the business, forfeit the chance and let the criminals escape.

Leading party and government comrades from the autonomous region attended the forum. Comrade Shen Xiaozeng presided at the meeting and delivered a speech. A total of 150 leading cadres of the party committees (organizations) from all prefectures, municipalities and counties (districts) and the regional organs attended the forum.

COORDINATION IN POLICY ON INTELLECTUALS URGED

HK020852 Xian SHAANXI RIBAO in Chinese 21 Jul 82 p 1

[Editorial: "Do Not Look at Intellectuals in the Old Way"]

[Text] The work toward intellectuals has been recently checked up on in an all-round way in our province by party committees of the departments, commissions, offices and bureaus at the provincial level and by party organizations of factories, mines, enterprises and administrative units in all localities. Through the all-round checkup, they came to know the state of affairs in the work and solved some pending problems. This action has been warmly applauded by intellectuals. However, some cadres, especially some leading cadres, still have a great prejudice against intellectuals.

There are allegations that "intellectuals are neither direct creators of material wealth nor laborers" and that "intellectuals like to make criticisms and comments and are apt to get cocky. How can they be reckoned among the working class?" Such allegations are obviously made by those who are still holding old views when looking at intellectuals.

After the smashing of the "gang of four," the party and government politically rehabilitated the reputation of intellectuals, placing confidence in them and giving them a free hand in their work. At the same time, the party and government pointed out: The great majority of intellectuals in our country have become a part of the working class and will play a backbone role in the four modernizations drive. Our country now has approximately 5.7 million middle-aged intellectuals, ranging in age from 36 to 55. More than 90 percent of them were fostered and educated by the party after liberation and more than 70 percent of them came from the families of laboring people. Most of them have taken serving the people as their life's objective. Many of them have joined the CPC, becoming vanguards of the proletariat. Intellectuals have made great contributions to enormous achievements of our country on various fronts, including some of the elderly intellectuals who underwent experiences in the old society, have long separated themselves economically from the exploiting class and have become laborers of the socialist country.

Politically, they have been educated by the party for scores of years, and have been tested and forged in various political movements. Thus, most of them have been turned into "old workhorses" to serve the people. Though they are old they are still doing all they can. Their spirit is really inspiring.

Some people also question whether the implementation of policy toward intellectuals is a practice of "following the expert line" and "putting technology in command." This is entirely the manner of speaking of "leftists." We must know that our country has now entered a new historical time for modernization. This is an unprecedentedly complicated and magnificent cause, for which there must be experts and technology. If we know nothing about science and technology, we will accomplish nothing and will not be able to achieve victory in the four modernizations drive. Marx said: "Science and technology are productive forces." That is to say, science and technology can step up the development of society. So our socialist society should depend on them at all times.

Thus it can be said that if the policy toward intellectuals is to be implemented entirely, it is necessary to thoroughly get rid of the baneful influence of the "gang of four," clarify some muddled ideas, criticize outworn concepts and eliminate the prejudice against intellectuals. We must judge new problems with new views. We must properly deal with intellectuals in accordance with the instructions of the party Central Committee. Generally speaking, middle-aged intellectuals take on heavy burdens in work, but their pay and living conditions are relatively poor. Therefore, this problem must, if possible, be solved. Like the masses of the workers and peasants, intellectuals also face the problem of ideological remolding. They themselves should conquer their own weaknesses. However, in the wake of the party's policies, leaders should first of all arouse their enthusiasm and pay attention to overcoming their difficulties in livelihood while imbuing them with political ideology. We must make them feel the warmth of comradeship so that they are willing to get close to the party and dedicate themselves to the people. The saying that the party has now gone too far in applying policy toward intellectuals is obviously wrong. As a matter of fact, what we have done towards intellectuals is just a beginning. We still have a lot to do. We are convinced that so long as the responsible comrades of the party organizations and governments at all levels personally take a hand in the work and seriously tackle all problems, intellectuals themselves will surely take the general situation into consideration. They must be reasonable and will not raise any unreasonable demands. Thus, with the coordination between the higher and lower levels, there will be no difficulties in carrying out the policy toward intellectuals.

SHAANXI RIBAO ON PARTY LITERATURE, ART WORKERS

HK050321 Xian SHAANXI RIBAO in Chinese 24 Jul 82 p 1

[Commentator's article: "On Party-Member Literature and Art Workers"]

[Text] While studying Comrade Mao Zedong's letter to the personnel in the literature and art field and Comrade Chen Yun's speech on the problem of literature and art, some comrades have mentioned the view of "writers being greater than party members" held by one or two party-member literature and art workers. After enjoying some reputation, those party-member literature and art workers have impaired their quality as Communist Party members. They do not obey party discipline and party rules, go against the four basic principles, publish speeches not in accord with the party Central Committee, put themselves above or outside the party and cannot accept any different opinions. By so doing they have created a bad impression in society, particularly among young people.

Another tendency was also mentioned. Some party-member literature and art workers have developed a decadent and vulgar ideological style of individualism, anarchism, chasing money, pursuit of fame and interest, and bragging and flattery. A handful of people even practice these evil things without any disguise.

Therefore, it is quite necessary at present for the party-member literature and art workers to strengthen their sense of responsibility to the party and party spirit.

Communist Party members engaging in literature and art work have dual identities. As literature and art workers, they must do their duty to society. As Communist Party members, they must take up their responsibilities as party members. To concentrate the dual nature in one aspect, it is to serve the people and socialism wholeheartedly. It must be understood that they are first of all party members, then writers and artists. The vast majority of the party-member literature and art workers have handled this relationship very well. In particular, some veteran party-member writers and artists have set us good examples.

There is no doubt that party-member literature and art workers must be models in implementing the policy of "letting a hundred flowers blossom and a hundred schools of thought contend." However, adhering to the "double hundred" policy is for the purpose of propagating Marxism-Leninism in a better way. It is absolutely not for the purpose of publishing speeches against the party's line, guiding principles and policies under the signboard of the "double hundred" euphemistically describing this as a "new breakthrough". To carry out the "double hundred" policy, we must, on the basis of Marxism-Leninism, create various kinds of literary and artistic works loved by the masses, encourage the writers to enhance their understanding of Marxism-Leninism, constantly carry out criticism and self-criticism, uphold the truth and correct mistakes and be sure to straighten out ideological style.

As long as every party-member literature and worker has good initiative in this field, the whole literary and artistic cause will march forward smoothly.

XINJIANG PARTY CIRCULAR GREETES 12TH CONGRESS

HK100745 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 9 Aug 82

[Summary] "The CPC committee of the autonomous region has issued a circular urging party organizations at all levels to conscientiously study and uphold the spirit of the 7th plenary session of the 11th CPC Central Committee and to greet the convening of the 12th party congress with practical actions. The circular said: "This year, despite relatively serious natural disasters, it is expected that we can achieve a bumper agricultural harvest. Animal husbandry and forestry have chalked up the best results in years. In the first half of this year, total industrial output value showed an increase of 8.6 percent over the corresponding period last year. An improvement in economic returns is evident. In financial income, the annual plan was fulfilled by 53.7 percent, an increase of 0.6 percent over the corresponding period last year. This is a situation not witnessed in years. The market is thriving. Commodity prices are steady. There has also been progress in cultural, education and public health undertakings. But we should also clearly see that our work has not been sufficiently balanced. Many problems remain unsolved in industrial and agricultural production, animal husbandry and other fields." We must basically bring about a turn for the better in the party style, social practices, public order and national unity. We must seek steady progress in economic construction and various fields of endeavor. We must fulfill and overfulfill various national economic plans for the current year in an overall manner. To this end, we must work hard and can never show the least sentiment of self-complacency or relaxation. We must uphold the spirit of the 7th plenary session of the 11th CPC Central Committee and greet the convening of the 12th party congress with practical actions.

This means that we must seriously sum up experiences, arouse our enthusiasm, work in concert, and push on in the flush of victory, in order to bring about the continuous development of the very favorable situation of stability and unity and of economic construction in our region and achieve new results. To this end, we must realistically do several tasks well:

"There are now 20-odd days left until the convening of the 12th party congress. The leading comrades of party organizations at all levels and various departments must guide the masses of party members and people to seriously study and uphold the spirit of the 7th Plenary Session of the 11th CPC Central Committee and also the line and general and specific policies since the 3d plenary session. They must conduct education on the 'four upholds.' In light of the actual conditions of an area or department concerned, they must make necessary preparations for taking practical actions to greet the convening of the 12th party congress." To greet the upcoming 12th party congress, we must work realistically and effectively and avoid acting for the sake of appearances. We must continue to strengthen national unity and unity between military men and civilians and consolidate and develop the political situation of stability and unity. Firmly carrying out the party's nationalities policy and strengthening education on national unity is an important task hitherto promoted by our region. Party organizations at all levels must put this task in an important place and continue to tackle it in a resolute and proper manner. Everyone must promote national unity and seek to strengthen the very favorable situation of national unity.

"To continue doing a good job in economic construction and various fields of endeavor, the autonomous region must direct intensified and proper efforts toward agricultural production and animal husbandry. On the basis of bumper summer harvests, they must strengthen autumn field management and achieve bumper grain harvests for the whole year." The autonomous region must seriously uphold the party Central Committee's instructions on enterprise consolidation. It must resolve to properly consolidate enterprises, improve economic returns and fulfill this year's plan for increased industrial output and for profits handed over to the state. It must continue to pay close attention to financial income and take proper measures in financial discipline and inspection. Those problems found in an inspection must be seriously handled. Those sums that should be handed over to the state must be treated accordingly. Financial discipline must be strictly enforced. Those departments concerned must make proper arrangements for production, supply and sales and properly arrange for the lives of people of all nationalities. They must further raise people's awareness of the struggle to crack down on serious crimes in the economic field. They must pay close attention to the handling of big and important cases.

We must carry on and develop the party's fine traditions and its fine style, further strengthen party building, and improve the party's work style. We must turn party organizations at all levels of the whole region into a leadership core or a strong bastion that leads the people of all nationalities in carrying out modernization. To continuously do a good job in building socialist spiritual civilization, we must launch a "five stresses and four beauties" campaign. We must raise the political and ideological consciousness of cadres of people of all nationalities and direct all the enthusiasm of the masses of cadres and people toward modernization, so that they can do their work and make major new contributions toward the further development of the very favorable situation in our region.

PRESIDENT CHIANG LAUDS NATIONAL SEMINAR RESULTS

OW101435 Taipei CNA in English 1332 GMT 10 Aug 82

[Text] Taipei, Aug 10 (CNA) -- President Chiang Ching-kuo has greatly valued the achievements of this year's national development seminar. The seminar promotes exchange of wisdom and opinions between scholars and experts at home and from overseas in the common efforts for the national reconstruction, close unity and full dedication to the sacred mission of national recovery, President Chiang said in his talks with participants of the seminar last month.

In giving his comments on the conclusions of the panel discussions, President Chiang said that the current basic national policy is to defeat communists by accomplishing the national recovery under the three principles of the people. This basic policy has been set since this republic was founded 71 years ago. Since then all the efforts by the Chinese people's government are aimed at implementing the three principles. "Through various difficulties, we have defeated all enemies by joint efforts under the three principles."

President Chiang expressed his belief that as we are firmly sticking to the basic national policy, we will surely win the final victory in the anti-communist mainland recovery mission.

The nation became stronger and made progress in various fields after the government completed the northward expedition in 1928 under the guidance of the three principles of the people. The Japanese warlords launched an all-out aggressive war against the China mainland in 1937 for fear of China's growing strength. With determination and perseverance, we finally won the war and defended national freedom and independence. After the resistance war against Japan, the National Assembly was convened to promulgate the constitution for carrying out the democratic policy and the accomplishment of the principle of democracy in the country.

The most unfortunate fact is that the Chinese Communists staged an open rebellion against the government and occupied the mainland in 1949. During the past decades, millions of our compatriots there suffered under slavery and the beautiful lands were polluted with the Marxism-Leninism poison, the president said. Only if the Chinese Communist tyrannical rulers are eliminated will we finish our responsibility for the nation, President Chiang stressed.

The rapid development and prosperity on this national recovery bastion through the implementation of the three principles of the people has actually proved the superiority of the principles. The achievements in the Taiwan area has further supported our belief that the three principles of the people is the only guide in the struggle for the final recovery of the Chinese mainland. "Our basic anti-communist national policy has helped this nation stand firm in the world under the impacts of storms and high waves during the past years," President Chiang pointed out.

PRESIDENT GREET'S ACADEMIA SINICA CONFERENCE

OW191439 Taipei CNA in English 1352 GMT 19 Jul 82

[Text] Taipei, July 19 (CNA) -- President Chiang Ching-kuo Monday stressed the essence of Chinese culture as humanism based on the Confucian theory and spirit, and he called on the intellectuals to shoulder the duty of glorifying justice and righteousness so as to accomplish the task of building a great commonwealth.

In a written message to the opening of the 15th Academia Sinica conference, the president said that since its inauguration 54 years ago, Academia Sinica has continued to lead the academic elites of the nation in doing research, thus making great contributions to the achievements in the fields of humanity, industrial technology and social sciences. President Chiang expressed appreciations to the members and other staff of Academia Sinica for their efforts in expanding the scope and quality of research and in coordinating the academic research with the national reconstruction work.

The basic purpose of academic research is to seek truth and attain the goal of promoting human welfare and world peace.

The president said the accumulation of knowledge is aimed at pushing forward human civilization in order to move toward the ideal of perfection. However, he pointed out that from the beginning of this century, the evil theory of Marxism-Leninism has created troubles and uncertainties in the world. The president expressed the hope the intellectuals should open their minds and sparkle their wisdom with a view to finding the answers for the puzzles of thinking so that the truth of academic research can correct the wrongdoing, giving impetus to the promotion of welfare and world peace for the human beings.

Since ancient time, the president said, intellectuals have shared a common ambition of creating a central thinking for the world, producing lives for the human beings, prolonging academic achievements of the past scholars, and opening up an everlasting peace for the future generations. He pointed out that the three principles of the people created by Dr Sun Yat-sen symbolizes the heritage of Chinese culture and glorifies the great road leading toward great commonwealth.

The president asked the participants to serve as leaders of wisdom and bravery in finding a way out for this age of turmoil at a time when this nation is pursuing the historical task of recovering the mainland under the three principles of the people.

LEGISLATORS RETURN TO TAIPEI FROM U.S.-JAPAN TOUR

OW081429 Taipei CNA in English 1350 GMT 8 Aug 82

[Text] Taipei, Aug 8 (CNA) -- Four nonpartisan members of the Legislative Yuan and the Control Yuan returned to Taipei yesterday after a 40-day tour of the United States and Japan.

The four -- Legislators Kang Ning-hsiang, Chen Teh-ming and Huang Huang-hsiung and Control Yuan member Yu Ching -- said in a statement upon arrival that they called on U.S. congressional and government leaders as well as American scholars besides meeting overseas Chinese in the U.S. In Japan they met with Japanese political and economic leaders.

The parliamentarians said they told the American and Japanese leaders that the views of the 18 million people in Taiwan must be respected regarding the future of the island bastion.

PRESIDENT CHIANG RECEIVES NEW COSTA RICAN ENVOY

OW201417 Taipei CNA in English 1408 GMT 20 Jul 82

[Text] Taipei, July 20 (CNA) -- Rodrigo Sanchez Ruphuy, newly-appointed Costa Rican ambassador to the Republic of China, presented his credentials to President Chiang Ching-kuo Tuesday morning.

Accompanied by Director Hugh H. O'Yang of the Protocol Department under the Foreign Affairs Ministry, Amb Sanchez arrived at the Presidential Office at 9:50 a.m.

Also present at the meeting were Adm Ma Chi-Chuang, secretary-general to the president; Foreign Affairs Minister Chu Fu-sung; Gen Ma An-lan, personal chief of staff to the president; and Lt Gen Chen Lu-yuan, director of the Third Bureau in the Presidential Office.

LOW-INTEREST LOANS OFFERED STRATEGIC INDUSTRIES

OW110628 Taipei CHINA POST in English 7 Aug 82 p 10

[Text] The Bank of Communications (BOC), the nation's development bank, will offer a preferential rate of 9 percent for medium- and long-term loans extended to manufacturers in strategic industries in order to buy 145 capital goods the manufacturers of which is encouraged by the government.

Under the BOC's newly revised loan package, the lending rate for manufacturers in strategic industries to buy locally manufactured machinery products will be set at 10.125 percent.

The 10.125 percent preferential rate will also apply to government institutions which buy the listed 145 products.

In addition, manufacturers in strategic industries who plan to import machinery and equipment for the manufacture of the listed products, if the equipment is not produced locally, will also be eligible for the 10.123 percent rate, and the loan can be extended in new Taiwan dollars.

In an attempt to allot more funds for private enterprise, the maximum amount on loans to government institutions is NT\$5 billion.

PAI HSING ON FATE OF JIANG QING, 'GANG OF FOUR'

HK041230 Hong Kong PAI HSING in Chinese No 29, 1 Aug 82 pp 25-26

[Article by PAI HSING reporter: "Jiang Qing Watches World Cup Soccer Match in Qincheng Prison -- An Inquiry Into the Life of the 'Gang of Four' in Prison"]

[Text] [foreward] As the televised shot of Jiang Qing's bluster at the trial of the "gang of four" is still within living memory, we are surprised to learn that this woman who dreamed of becoming an empress was able to watch the televised World Cup soccer match just like the broad masses of residents on the Chinese mainland. We wonder whether she shouted "good shot" when she watched the match with keen interest!

The CPC Decided To Leave Them in Jail Until Their Natural Death

More than 1 and 1/2 years have elapsed since the final judgment was pronounced by the Supreme People's Court on 25 January 1981 on the counterrevolutionary crimes of the "gang of four," namely, Jiang Qing, Zhang Chunqiao, Wang Hongwen and Yao Wenyuan. Of them, Wang Hongwen was sentenced to life imprisonment and Yao Wenyuan was sentenced to 20 years' imprisonment. Of course, there is no question about their serving the prison sentences continuously in Beijing's Qincheng Prison. However, as Jiang Qing and Zhang Chunqiao were sentenced to death with a 2-year reprieve, and as the 2-year reprieve will expire in less than 6 months, it is questionable whether they will continue to remain in prison. The mass media are interested in studying the question of whether they will be executed or not.

People are also interested in the living conditions of the "gang of four" in Qincheng Prison. For example, it is rumored in Hong Kong that Jiang Qing was transferred to a prison in the southern part of China and that she made cloth dolls in the prison. People are rather interested in the life of the "gang of four" in prison.

A person who has returned to Hong Kong after a recent visit to Beijing, and who declined to be named, told this reporter: At the conclusion of his important report made at a plenary meeting of the national committee of the All-China Federation of Literary and Art Circles in late June this year, Wang Renzhong, member of the Secretariat of the CPC Central Committee and head of the Propaganda Department, said in a "stroke-of-genius" tone: "I have some grapevine news to impart to you." One item of the 'grapevine news' was about the "gang of four."

Wang Renzhong said: Should we execute the "gang of four" or not? Many people in China, including myself, have called for executing them. However, in accordance with the opinion of the party (this refers to the opinion of the CPC Central Committee), they will not be executed, but will be locked up in jail until their natural death. According to another source, Wang Renzhong visited Qincheng Prison in June to acquaint himself with the living conditions of the "gang of four" and followers of Lin Biao including Chen Boda. He also looked at Jiang, Zhang, Wang and Yao through the viewing windows of their rooms in the prison.

The CPC Central Committee had discussed the issue of whether to execute the "gang of four." In particular, it had discussed ways to handle Jiang Qing and Zhang Chunqiao when their 2-year reprieves expire. In the end, Chen Yun made a "solemn pledge."

Chen Yun noted: Judging from the overall situation of the "Cultural Revolution," we can see that it was a political struggle after all. Therefore, with the exception of making separate arrangements to deal with some conspirators and careerists, we must adopt the methods of political struggle to deal with other people connected with the "Cultural Revolution." In other words, in handling all matters concerned, we must adopt an overall point of view and proceed from the supreme and long-term interests of the party.

How are we to successfully proceed from an overall point of view and from the supreme and long-term interests of the party?

Hu Yaobang later made known his position regarding this: "In handling the case of the Lin Biao and Jiang Qing counterrevolutionary cliques, we regard Comrade Chen Yun's opinion as the whole party's guiding principle."

The Life of the "Gang of Four" in Qincheng

What is the true picture of the life of the "gang of four" in Qincheng Prison? Without the Central Committee's permission to carry out an on-the-spot report of their living conditions, it is almost impossible to have precise information about their living conditions, and requesting the permission to do so is unrealistic under the situation in which the country is under the dictatorship of the proletariat. The only available channel is to fish for information from responsible officials of the CPC. There are two prerequisites for doing this: first, lucky chance; second, such a responsible official of the CPC must have a relatively high level of understanding and must dare to explain the situation in accordance with policies.

The aforesaid person who declined to be named actually had a "heaven-sent good opportunity" to talk to a responsible CPC official with a rather high level of understanding. The following is their dialogue:

Question: "What are you able to tell me about the living conditions of Jiang Qing and others in Qincheng Prison?"

Answer: "They live very well."

Question: "Can they read newspapers?"

Answer: "Yes, they can."

Question: "Can they read books?"

Answer: "Yes, they can."

Question: "Do you mean that they can read any books, or that they can read only the works of Marx, Lenin and Mao?"

Answer: "They make a list of books first. After the list is examined and approved, they are given the books they want."

Question: "Can they listen to radio programs?"

Answer: "They can listen to some radio programs."

Question: "Can they watch television?"

Answer: "Yes, they can."

Question (in a loud voice): "What? Do you mean they can actually watch television? Does this mean that they watched the World Cup soccer match?"

Answer: "Of course, they did! In short, we cannot use the methods which they used to deal with us to deal with them."

Question: "Do they have to participate in manual labor in that place?"

Answer: "No, they do not. However, they have to clean and tidy up their own living areas."

Question: "Can they communicate with the outside world by letter?"

Answer: "According to regulations, they can do so."

Question: "Can they receive their family members?"

Answer: "According to regulations, any person who has been given a prison sentence can receive his family members. However, some of them do not have any family members to receive."

Question: "A Hong Kong press report said that Jiang Qing made cloth dolls in the prison. Is this fact?"

Answer: "No reporter has visited Qincheng."

Question: "It seems that your use of the methods of political struggle to deal with them is really too lenient."

Answer: "Nevertheless, they cannot escape their due responsibility for their criminal offenses."

Question: "Jiang Qing and Zhang Chunqiao were sentenced to death with a 2-year reprieve and the 2-year reprieve will soon expire. According to Chen Yun's talk, they will be leniently handled. When the 2-year reprieve expires, will they be given another 2-year reprieve (note: because this is the CPC's usual practice) or will their death sentences be changed to life imprisonment?"

Answer: "This will depend on the decision of the Supreme People's Court and the approval of the NPC Standing Committee."

Question: "Have you carried out education to reform them?"

Answer: "Do you think these people will accept education?" (The two looked at each other and smiled. The dialogue ended at this point.)

The Four People Differ From One Another in Their Behavior

According to an unofficial source, with regard to the behavior of the "gang of four" in Qincheng Prison, Yao Wenyuan has shown the most outstanding attitude to admit his guilt. There are several reasons for this: One is the fact that because Yao was sentenced to a prison term of a certain length, he is not one of those who will be "left in jail until their natural death." The other reason is that many Chinese scholars are "spineless" people and are good at trimming their sails, and Yao is no exception. Therefore, Yao behaves as if he is willing to turn over a new leaf. Yao's behavior is also somewhat connected with the demand made by his family members. Following the judgment, Yao's family members met him many times in Qincheng and encouraged him to actively strive for his release from prison at an early date.

In addition to Yao Wenyuan, Wang Hongwen is relatively tame.

Jiang Qing is adopting the same arrogant attitude she adopted during the trial. Wang Renzhong mentioned this to members of the national committee of the All-China Federation of Literary and Art Circles, saying: "Jiang Qing has estimated that we would not dare to execute her." It seems that Jiang Qing has made a correct estimate. However, of the four members of the "gang of four," Jiang Qing encountered the most tragic family incident: During the "Cultural Revolution," Jiang Qing's only daughter Li Ne, who held high rank because of her mother, was once the chief editor of JIEFANGJUN BAO and showed the supreme arrogance of a person with great power. It is said that Li Ne went insane following the smashing of the "gang of four," and is currently recuperating in a psychiatric hospital. Therefore, the part of this article which mentions that "some people have no family members to receive" could refer to Jiang Qing.

Zhang Chunqiao is as incorrigibly obstinate as Jiang Qing. According to a report, Zhang's daughter in Shanghai once visited Zhang. In front of his daughter, Zhang broke his "silence." Of course, what he said to his daughter could not have been fine words.

The ordinary people on the Chinese mainland have a lot of complaints about the fact that the "gang of four" are rolling in clover in prison. Criminals on the mainland who have been sentenced to reform through labor still have to recite that "people can be reformed" (a quotation from the "Quotations From Chairman Mao Zedong.") Such people are still

receiving reform in a law-abiding way. If they know that Mao Zedong's darling wife has taken real action to negate this thesis of Mao, what would be their reflections?

It seems that this question will only be answered when some people write the "history of the proletarian dictatorship."

PRC 'LEAKING' PLANS REGARDING HONG KONG'S FUTURE

HK110050 Hong Kong HONG KONG STANDARD in English 11 Aug 82 pp 1, 16

[Article by Terry Cheng: "China Leaking Lease Plans"]

[Text] Middle-ranking officials of China-affiliated organisations here have been informed recently of Beijing's plan for administering Hong Kong, which includes the appointment or election of a local Chinese to be the chief administrator, it was reliably learnt yesterday. And these officials are allowed to relay the plan to their associates, speaking from "a personal point of view."

Coupled with the leakage of news concerning Hong Kong's future to non-leftwing media by China-related people, the action indicates that Beijing is preparing public opinion for regaining Hong Kong's sovereignty around 1997.

A veteran observer of the Sino-British relationship, who wished to remain anonymous, said it might well be a tactic to forestall any possible British move that would put China in "an embarrassing position." Britain's move might include requesting that Beijing should either enter into some form of commitment that recognises Britain's legal basis for its rule over the New Territories beyond 1997, or take back the entire territory of Hong Kong.

The observer said acknowledging the legitimacy of future British rule was tantamount to recognising the unequal treaties concerning Hong Kong. It was impossible for the present communist leadership to recognise the unequal treaties, which the warlord governments early this century and the Nationalist Government had also not recognised, he said.

It is known that Beijing wants to keep Hong Kong's status quo in order to reap maximum benefits out of it, the observer continued, but the Chinese leaders will not betray the national principle of not recognising the unequal treaties to gain these benefits.

He noted that Beijing's strong position on Japan's revision of history textbooks was an indication that Beijing was very firm on issues regarding national principle and feeling. He said it would be a miscalculation on the part of the British if they thought they could make China enter into a commitment that hurt its national principles because Beijing needed Hong Kong in its modernisation drive.

British attempts to treat Hong Kong Island separately from the New Territories would not only be impractical, but also irritating to the Chinese, the observer said.

He recalled that in a meeting with Chinese leader Deng Xiaoping in Beijing a few years back, former Governor Lord Murray MacLehose suggested that "under British administration, investors should put their hearts at ease." However, this suggestion was rejected outright by Mr Deng, who said Hong Kong's success was due to strong support from China and hard work by the broad masses of Chinese compatriots here.

With repeated assurances to top leaders, such as Mr Deng, Zhao Ziyang and Hua Guofeng, the OBSERVER said, some British people were still not satisfied, and wanted to press Beijing for more.

He noted that in the later days of the MacLehose governorship, key figures like Sir Murray himself and then Chief Secretary Sir Jack Cater had spoken of respecting the Chinese way of doing things and their assurances.

Meanwhile, local diplomatic sources speculated that British Prime Minister Margaret Thatcher, in her September visit to Beijing, may make "concessions" to China by declaring Britain will recognise China's claim to sovereignty over the entire territory of Hong Kong, and express readiness to negotiate the transfer of Hong Kong's sovereignty with the Chinese Government at an appropriate time. This would enable the Chinese leadership in return to come up with better terms for the British in the negotiations, the sources said.

They added that after Mrs Thatcher's visit, a joint committee might be formed to work on matters concerning the future of Hong Kong, following the pattern of the joint committee formed by Shenzhen and Hong Kong officials.

China's plan to administer Hong Kong, as reported by the STANDARD earlier, includes making the territory into a special administrative region, in which its external affairs and defence are largely left to the central government in Beijing. China will not station the People's Liberation Army here, and domestic affairs, including internal security, will be handled by the special regional administration.

Well-informed sources added that the future chief administrator of Hong Kong would be a local Chinese, either to be appointed by Beijing or elected locally.

The sources pointed out that quite a lot of news concerning Hong Kong's future was "leaked" by China-linked people. They gave an example of a report in the July 1 edition of PAI HSING magazine which reported that Mr Deng had told a group of local prominent left-wing figures in Beijing in June that China would regain Hong Kong's sovereignty around 1997. The party vice-chairman's remark was deliberately leaked to the magazine by a leading member of the group, the sources said.

FOREIGN FIRMS TO MAKE SEISMOLOGICAL TESTS IN PRC

HK090155 Hong Kong SOUTH CHINA MORNING POST in English 9 Aug 82 Business News p 1

[Text] China has invited six international geophysical companies to carry out seismological and geological prospecting in one of its onshore oilfields. Work at Dongpu oilfield in Henan Province in central China is to begin in the autumn, according to CHINA MARKET magazine. The World Bank has decided to extend a loan to cover the expenses of constructing the oilfield, processing data, interpreting information and compiling results, it says.

Invitations to bid for the seismic work have been sent out by the China Petroleum Corp to: Geophysical Service Inc., Seismograph Service Corp, Geo Source and Digicon Inc, all of the United States; Compagnie Generale de Geophysique of France and Prakla GmbH Haartrasse of West Germany.

The magazine also reports that a World Bank loan of \$160 million to develop Daqing oilfield, China's largest, will be used to drill 821 wells, 615 for oil wells and 206 for water. The rough breakdown of the loan is:

- \$35 million for drilling equipment.
- \$10 million for superstructures.
- \$5 million for study and research to enhance oil production.
- \$45 million for production equipment.
- \$15 million for computers (hardware and software).
- \$5 million each for buying laboratory equipment and the technical training centre.
- \$3 million for general technical assistance.
- \$40 million miscellaneous.

WEN WEI PO ON EAST CHINA SEA GAS DISCOVERY

HK090633 Hong Kong WEN WEI PO in Chinese 8 Aug 82 p 1

[Special dispatch from Beijing: "Beijing Sends PLA Units To Help in East China Sea Oil Exploration, a New Breakthrough Achieved"]

[Text] Beijing, 7 Aug -- Drilling work was completed on the No 2 Longjing well in the East China Sea Basin on 24 July by the No 2 exploratory drilling platform of the Ministry of Geology and Minerals. Many layers containing gas were discovered. After an initial test on 4 August, the gratifying news of the discovery of natural gas flow was confirmed. This represented an important discovery and a new breakthrough in the general oil gas exploration of our East China Sea Basin.

The No 2 Longjing well was our country's third general exploration oil gas well built in our East China Sea Basin. From the end of 1980 to early 1981, the No 2 exploratory drilling platform of the Ministry of Geology and Minerals worked on the first oil gas general exploration well -- the No 1 Longjing well. The well reached a depth of 340 meters. Direct evidence was obtained for the first time to confirm the prospect of oil gas in the East China Sea Basin, as predicted. A compressed natural gas layer and many layers of oil-containing sandstone were discovered.

Work on the No 2 Longjing well was undertaken by the Marine Geological Survey Bureau of the Ministry of Geology and Minerals. In the process of work, energetic support was received from various relevant units in Shanghai Municipality, the Jiangsu prospecting headquarters for general exploration of oil, the South China Sea geological survey headquarters, and the Chinese PLA. At present, it is the height of summer. The work site has been threatened by typhoons many times. Work is rendered difficult. The masses of marine geological workers have fought hard and have overcome difficulties, ensuring the successful accomplishment of the task of designing the No 2 Longjing well.

END OF

FICHE

DATE FILMED

Aug 12, 82

